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CONFIDENTIAL.

F.O. 424/133

(5330.)

F.O.

424

CORRESPONDENCE

RESPECTING THE

RIGHT OF BRITISH SUBJECTS

TO PARTICIPATE IN THE

COASTING TRADE OF THE TURKISH EMPIRE.

133

1853-85.

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CONFIDENTIAL.

Correspondence respecting the Right of British Subjects to participate in the Coasting Trade of the Turkish Empire.

PRELIMINARY PAPERS.

No. 1.

The Earl of Clarendon to Colonel Rose.

(No. 12.)

Foreign Office, January 17, 1853.

Sir,

HER Majesty's Government have had under their consideration the Circular from the Porte announcing the intention to prohibit foreign steam-vessels from plying for passengers in the Bosphorus, of which a translation was inclosed in your despatch No. 152 of the 4th December. The Circular refers to an official article published in a Constantinople newspaper, which I regret you did not forward with your despatch, as it would have enabled Her Majesty's Government more clearly to appreciate the motives of the Porte in establishing the prohibition announced in its Circular.

I have had some conversation with M. Musurus on this subject since the receipt of your despatch, and I am assured by him that the Porte fully admits the right of British subjects to carry goods from one Turkish port to another, in other words, to share in the coasting trade of the Turkish Empire, but that it denies the right of British subjects to transport passengers from one Turkish port to another. But M. Musurus declares at the same time that the Porte is quite prepared to refuse equally to the subjects of other Powers those privileges which it denies to British subjects.

I must, however, observe in the first place that Her Majesty's Government cannot subscribe to the general denial of the Porte of the right of British subjects to transport Turkish passengers from one Turkish port to another, for the XLIst Article of the Capitulations distinctly provides "for English ships coming into our sacred dominions and touching at the ports of Barbary and of the western coast, taking on board pilgrims and other Turkish passengers with the intention of landing them at Alexandria and other ports of our sacred dominions."

The right to engage in passenger traffic from one port of the Turkish dominions to another has therefore, to a certain extent, at least been distinctly conferred upon British vessels.

But the right so conferred by Treaty has of late years received a further development, not only as regards British vessels, but as regards the vessels of other Powers. British vessels have been allowed without question for some years past to convey Turkish passengers between Trebizond and Constantinople, and between Alexandria and the ports of Syria; and the Austrian and French commercial steamers have been equally allowed to ply for passengers between one Turkish port and another; and the former have moreover been allowed to convey passengers from one Turkish town on the Danube to another. Now, even admitting that the Porte is justified in drawing a distinction between the Bosphorus and the Archipelago and Mediterranean, on the ground that the Bosphorus partakes in some respects of the character of river navigation, it is not easy to understand how the Porte is to maintain, on that or any other ground, a distinction between the navigation of the Danube and that of the Bosphorus; and if the Porte allows Austrian steam-vessels to share in the passenger traffic of one part of its inland waters, it would seem, under the general concession to British enterprise, contained specifically in the Ist Article of the Treaty of Balta Liman, of parity with that of other nations, that the Porte would

not be justified in withholding from British steam-vessels a share in the passenger traffic of another part of its inland waters. The case would be still stronger in favour of the British steamers in the Bosphorus if the prohibition to ply for passengers is applied exclusively to them. To such a special application of it Her Majesty's Government will not listen. Austrian, French, and Russian steamers must, simultaneously with those of England, be excluded from the passenger traffic in the Bosphorus; and the Porte will moreover be bound to show that it is justified in making a distinction between the Danube and the Bosphorus.

But Her Majesty's Government apprehend that the Porte has not duly considered the whole of the difficulties in which it may become involved by persisting in the prohibition which it has announced. That prohibition, if enforced as regards the channel of Constantinople leading into the Black Sea, must, on the very same ground, be applied to the channel leading into the White Sea, and I apprehend that very many and serious inconveniences would be felt by the Porte if foreign steamers were prohibited from carrying passengers between Constantinople and the Dardanelles, and between Constantinople and the different ports of the Sea of Marmora. The Dardanelles, including the Sea of Marmora and the Bosphorus, come within the same category; they are both equally closed by usage and Treaty to the ships of war of foreign Powers, and to both must be applied the same rule as regards the passenger traffic. Is the Porte prepared to meet the remonstrances of foreign Powers against the prohibition in question as applied to the Dardanelles?

Moreover, if, as is supposed to be case, the announced prohibition is levelled against foreign steamers in order to throw into the hands of a privileged Turkish Company the whole passenger traffic of the Bosphorus, is the Porte prepared to maintain that the establishment of such a Company with exclusive privileges is consistent with the engagements on the subject of monopolies which it has contracted with other Powers?

Furthermore, is the Porte prepared to maintain that, having allowed these foreign steamers to ply for a considerable time without interruption, it is possible abruptly to withdraw the privileges which it has allowed them to enjoy, without making to the parties interested in them an equitable compensation for the hardship inflicted on them?

Her Majesty's Government think it right that the various considerations which I have suggested should be placed before the Porte, in order that it may decide, upon mature reflection, whether it is advisable for it to attempt to enforce the prohibition. Her Majesty's Government think it due to the friendship which they entertain for the Porte to warn it against the possible consequences of persevering in the course which it has announced, and, having done so, Her Majesty's Government at once declare that they will offer no opposition to the enforcement of the prohibition announced in the Circular of the 25th November, provided that the prohibition is applied equally and indiscriminately to all other Powers whatever.

Nevertheless, Her Majesty's Government think it an act of friendship to submit to the Porte whether the evils which it is the professed object of the prohibition to guard against might not be effectually corrected by laying down rules for the passenger traffic of the Bosphorus, to which all steamers, whether native or foreign, engaged in it should be bound to adhere. The Porte might appoint proper landing-places, might regulate the hours of starting and the speed of the steamers, and generally take all due precautions against confusion and disturbance on the embarkation and disembarkation of passengers, and for the security of persons navigating in small boats. The Porte would doubtless find in other foreign Missions the same willingness to co-operate in drawing up any such rules and in enforcing the observance of them as will be shown by the British Embassy; and as the Porte does not now, as it did in 1837, pretend to exclude all steam passenger traffic from the waters of the Bosphorus, it is surely better for the Porte to provide that such traffic shall be cheaply and efficiently conducted, and that it cannot be unless it is thrown open to general competition.

You will likewise place before the Porte the danger of inconvenient discussions with other Powers less friendly to the Ottoman Empire than Her Britannic Majesty.

Although Her Majesty's Government will not renounce the hope that you may be able to prevail with the Porte to recall the prohibition announced in its Circular, it is nevertheless desirable, as the time at which it is announced to be enforced is drawing near, that you should apprise the British parties interested in the matter that Her Majesty's Government will not resist the measure if fairly and generally enforced against other foreign countries.

I am, &c.
(Signed) CLARENDON.

No. 2.

Earl Granville to Sir H. Elliot.

(No. 80. Commercial.)

Sir, *Foreign Office, December* 23, 1872.

I HAVE had under my consideration, in communication with the Law Advisers of the Crown, your Excellency's despatches Nos. 73 and 75, Commercial, of the 27th October last and 5th ultimo, relative to the question as to the right of British subjects to participate in the coasting trade of the Ottoman Empire.

The three principal points to be considered are (1) the right to the coasting trade as regards goods; (2) as regards passengers; and (3) the question of the limits to be assigned to the port of Constantinople.

As regards the first two points, I have to authorize your Excellency to insist upon the right of British ships to the coasting trade within the Ottoman dominions, both as regards goods and passengers, this right being derived from Article I of the Treaty of 1861,* and the Treaties between Belgium and Turkey of 1838 (Article XI),† and between Greece and Turkey of 1855 (Article X),‡ and indirectly from Article XIX of the Treaty of 1861.

There is nothing, in the opinion of Her Majesty's Government, unreasonable in the contention of the Ottoman Government that the Bosphorus constitutes the port of Constantinople, neither is it inconsistent with any Treaty stipulations that the navigation within the limits of that port should be subject to the restrictions imposed by the Ottoman Government, and I have to request that your Excellency will concede this point should it be insisted on.

For your further information on the above question, I inclose a Memorandum, with its inclosures, on the subject, which has been prepared in this Office.§

I am, &c.
(Signed) GRANVILLE.

No. 1.

Mr. Goschen to Earl Granville.—(Received April 25.)

(No. 27. Commercial.)

My Lord, *Constantinople, April* 18, 1881.

I HAVE the honour to inclose herewith copy of a note which has been addressed to me by the Sublime Porte, in which it is pointed out that foreign tug-steamers carry on a coasting trade in the Sea of Marmora, and on other points of the Turkish coast, although there is no international stipulation which opens the coasting trade of Turkey to foreign nations.

I have caused Assim Pasha to be informed verbally that I reserved my reply for the present, but that my silence was not to be considered as in any way an acceptance of his contention.

Article X of the Treaty of Commerce between Turkey and Greece of the 27th May, 1855, concedes to Greek subjects the right of taking part in the coasting trade, on condition that they submit to the same regulations as are incumbent on Ottoman subjects, or the subjects of the most favoured nation. This right is therefore conceded to all other countries who enjoy most-favoured-nation treatment.

I have consulted with my Italian colleague, who is the most interested in this matter, and as he reserves his answer till he receives instructions from Rome, I also have the

* Hertslet's Treaties, vol. xi, p. 561.
† State Papers, vol. xxvi, p. 1225. ‡ Ibid., vol. lvi, p. 1384.
§ Memorandum by Mr. Hertslet, November 28, 1872.

honour to refer the note of the Porte to your Lordship, and will await your instructions before taking any further steps with the Ottoman Government.

I have, &c.
(Signed) GEORGE J. GOSCHEN.

Inclosure in No. 1.

Assim Pasha to Mr. Goschen.

Sublime Porte, le 5 Avril, 1881.

M. l'Ambassadeur,

DEPUIS quelque temps des remorqueurs ou autres petits bâtiments étrangers font le service de cabotage dans le port de Constantinople, dans la Mer de Marmara, et sur différents autres points du littoral de l'Empire.

C'est là un abus qui offre de nombreux inconvénients, et qu'il est du devoir du Gouvernement Impérial de faire cesser au plus tôt.

Le petit cabotage, c'est-à-dire la navigation intérieure entre deux ou plusieurs ports ou échelles de l'Empire sans aucune corrélation avec l'étranger, n'est point soumis aux stipulations des Traités régissant le commerce maritime extérieur avec lequel il ne saurait être confondu. Dans la plupart des pays, le cabotage est réservé au pavillon national et en Turquie aucune stipulation internationale ne le concède aux étrangers.

C'est en se basant sur ces considérations que le Gouvernement Impérial se réserve le droit d'interdire aux remorqueurs ou autres petits bâtiments étrangers tout service de petit cabotage sur le littoral de l'Empire.

En portant ce qui précède à la connaissance de votre Excellence, je la prie de vouloir bien donner à qui de droit les ordres nécessaires pour qu'aucune infraction ne soit commise par les capitaines sujets Anglais.

Veuillez, &c.
(Signé) M. ASSIM.

No. 2.

Earl Granville to Mr. Goschen.

(No. 38. Commercial.)

Foreign Office, April 28, 1881.

Sir,

I HAVE received your Excellency's despatch No. 27, Commercial, of the 18th instant, inclosing copy of a *note verbale* from the Porte on the right of subjects of foreign nations to engage in the coasting trade of Turkey.

I have to point out to your Excellency that this question was raised and settled in 1872. In November of that year the right of British subjects to participate in the coasting trade of the Ottoman Empire was disputed by the Porte, and in a despatch No. 80 of the 23rd of the following month Sir H. Elliot was instructed to insist upon the right of British subjects to engage in that trade, both in goods and passengers. A copy of a Memorandum on the subject, prepared by Sir E. Hertslet, was transmitted to his Excellency in that despatch.

I have now to refer your Excellency, for your information and guidance, to the despatch in question, and to the correspondence which took place at the time on this subject.

I am, &c.
(Signed) GRANVILLE.

No. 3.

The Earl of Dufferin to Earl Granville.—(*Received July* 25.)

(No. 65. Commercial.)

Therapia, July 17, 1881.

My Lord,

I HAVE the honour to transmit herewith to your Lordship a copy of a *note verbale* which I have addressed to the Sublime Porte on the subject of the right of foreigners to participate in the coasting trade of Turkey.

In accordance with the directions contained in your Lordship's despatch No. 38, Commercial, of the 28th April last, I have in writing this note been guided by the

instructions given by you to Sir H. Elliot in your Commercial despatch No. 80 of the 23rd December, 1872.

My Italian colleague, who is principally interested in this matter, has made a communication to the Sublime Porte in nearly similar terms.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 3.

Note Verbale.

HER Majesty's Embassy has the honour to acknowledge the receipt of the *note verbale* of the Sublime Porte of the 5th April last, stating that the Imperial Ottoman Government reserved to itself the right to withdraw from foreign vessels the privilege of participating in the coasting trade ("petit cabotage") of Turkey, and requesting that orders might accordingly be given to prevent any infraction being committed by British captains.

In reply to this note Her Majesty's Embassy has the honour to inform the Sublime Porte that the question having been referred to Earl Granville, instructions have been received from his Lordship to point out to the Sublime Porte that that right of British ships to engage in the coasting trade within the Ottoman dominions, both as regards goods and passengers, is derived from Article I of the Treaty of 1861, as well as from the Treaties between Belgium and Turkey of 1838 (Article XI), and between Greece and Turkey of 1855 (Article X), as also indirectly from Article XIX of the Treaty of 1861.

Under these circumstances, Her Majesty's Embassy regrets that it is unable to accede to the Sublime Porte's request in the matter, but must maintain the right of British ships to enjoy the privilege in question.

Therapia, July 10, 1881.

No. 4.

Earl Granville to the Earl of Dufferin.

(No. 72. Commercial.)

Foreign Office, July 28, 1881.

My Lord,

I APPROVE your Excellency's note to the Porte on the subject of the right of foreigners to participate in the coasting-trade of Turkey, of which a copy was inclosed in your despatch No. 65, Commercial, of the 17th instant.

I am, &c.
(Signed) GRANVILLE.

No. 5.

Mr. Wyndham to Earl Granville.—(*Received February* 5.)

(No. 17. Commercial.)

Constantinople, January 27, 1883.

My Lord,

ON the 10th December last I received a note from the Porte, copy of which I have the honour of inclosing herewith, in which the Ottoman Government maintains that the tug and coasting service in the Turkish dominions appertains exclusively to the Ottoman flag, but at the same time denies any intention of infringing the freedom of coast navigation guaranteed by certain International Acts.

Mr. Consul-General and Judge Fawcett has, in compliance with my request, addressed me a despatch (copy inclosed), in which he stated that, in his opinion, the Porte's note was unusually vague, criticized the accuracy of its statements, and quoted the several International Acts affecting the question. In Mr. Fawcett's opinion, the most important of these is the Treaty of 1838 with Belgium, and the question to be decided is the construction to be put by Her Majesty's Embassy on its XIth Article.

The inclosed copy of a Memorandum from Mr. Dragoman Marinitch, whom I instructed to ascertain the views taken of the Porte's Circular by the other Embassies and Legations, states that the Italian Government, when the question had on a previous

occasion been raised, had, in return for the recognition of their right to perform coasting service in Turkish waters, granted a similar privilege to Ottoman ships in the Adriatic.

I have the honour to request your Lordship to be so good as to furnish me with instructions as to the course to be followed by me in dealing with this matter.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 5.

Note Verbale.

LE service de cabotage que font les remorqueurs et autres petits bâtiments étrangers dans l'intérieur de certains ports de l'Empire crée un état de choses qui appelle la sérieuse attention du Gouvernement Impérial.

Lorsque la Sublime Porte, sous l'empire de légitimes préoccupations, eut manifesté l'intention de mettre fin à une situation abusive et offrant de nombreux inconvénients, quelques-unes des Puissances amies ont cru devoir soulever des objections basées sur la liberté de la navigation côtière stipulée par certains actes internationaux.

Le Gouvernement Impérial n'entend aucunement restreindre cette liberté; ce à quoi il tient, c'est qu'elle ne dépasse pas son but, et qu'une distinction soit établie entre le cabotage et le service côtier dans l'intérieur des ports, golfes, baies ou détroits de l'Empire. Ce service, réservé exclusivement au pavillon national, est et demeure interdit aux pavillons étrangers.

En portant ce qui précède à la connaissance de l'Ambassade de Sa Majesté Britannique, le Ministère Impérial la prie de vouloir bien donner à qui de droit les ordres nécessaires en vue d'empêcher toute infraction à l'interdiction dont il s'agit.

Sublime Porte, le 10 *Décembre*, 1882.

Inclosure 2 in No. 5.

Consul-General Fawcett to Mr. Wyndham.

Constantinople, December 23, 1882.

Sir,

I BEG to acknowledge receipt of your despatch of the 14th instant, transmitting to me a Circular *note verbale* from the Sublime Porte, relative to the question of the coasting service performed by foreign tugs and other small vessels in certain ports and bays of the Empire, and which note objects to the above trade being carried on by foreign vessels.

In reply to your request for an opinion on the point raised, I have the honour to state that the note of the Porte is vague to an unusual degree. It points to no Règlement promulgated by authority prohibiting "cabotage," but confines itself to stating that it leads to numerous "inconveniences;" it seeks further to establish a difference between "service côtier" and "cabotage," the former of which is secured to us by Treaty.

As to the question of serious inconvenience, it seems refuted by the large amount of Ottoman subjects who constantly use these boats.

As to the difference in the meaning of the French words "cabotage" and "service côtier," I am unable to draw any distinction, though there may be some to a Frenchman, and I think the former word is more now in use.

The Treaty rights are as follows:—

Article I, Treaty of 1675, gives liberty to commerce and navigation.

Article I, Treaty of 1861, most-favoured-nation clause.

Article XI of Treaty with Belgium of 1838 is the most favourable; the Article is as follows:—

"Pour ce qui est du commerce côtier, consistant en produits indigènes ou étrangers expédiés d'un port à l'autre de l'un des pays des Hautes Parties Contractantes, il est convenu qu'il pourra se faire librement par les navires et les sujets des deux pays respectifs; toutefois il sera assimilé aux Règlements pour le commerce intérieur, appliqués de part et d'autre aux sujets des Puissances amies les plus favorisées."

By this you will perceive that the words "service côtier" are used, and that service permitted.

It seems, therefore, to me a question to be decided by Her Majesty's Embassy what construction they put on the clause in the Belgian Treaty if they propose to insist on

their rights in the matter, *i.e.*, on the right of coasting trade to British vessels in Turkish waters.

I have, &c.
(Signed) J. HENRY FAWCETT.

Inclosure 3 in No. 5.

Mr. Marinitch to Mr. Wyndham.

Péra, le 26 *Janvier*, 1883.

SUIVANT vos instructions, j'ai tâché d'avoir l'opinion de mes collègues et spécialement celle des Drogmans de France, d'Italie, et de Grèce sur la note verbale Circulaire de la Porte du 10 écoulé, touchant le service côtier et de cabotage.

M. de Longeville m'a écrit qu'il regrettait de ne pouvoir pas me fournir les renseignements que je lui avais demandés à ce sujet.

M. Robert Preziosi m'a informé que la Légation de Grèce avait référé la note en question à son Capitaine de Port pour avoir son opinion et que dès qu'il aurait présenté son rapport, il se ferait un plaisir de m'en donner communication.

M. le Chevalier Vernoni m'a dit que dans le temps, lorsque la Porte avait soulevé la question de cabotage, il y a eu un échange de notes entre le Ministère des Affaires Étrangères Italien et son Excellence Rustem Bey, alors Ministre de Turquie, reconnaissant aux bâtiments sous pavillon Italien le droit de faire le cabotage dans les ports de l'Empire Ottoman, et aux navires Turcs le droit de faire le cabotage sur les côtes de l'Adriatique.

M. le Premier Drogman de l'Ambassade d'Italie a exprimé l'opinion que les bâtiments Anglais ne sauraient pouvoir invoquer le même droit à moins que l'Angleterre n'accorde aux navires Turcs la réciprocité.

Les Drogmans de quelques autres Missions, que j'ai interrogés, m'ont répondu que la question ne les intéressait pas.

(Signé) H. MARINITCH.

No. 6.

Earl Granville to Mr. Wyndham.

(No. 22. Commercial.)

Sir,

Foreign Office, February 10, 1883.

I HAVE had under my consideration your despatch, with its inclosures, No. 17, Commercial, dated the 27th ultimo, relative to the claim advanced on the part of the Porte that the tug and coasting service in the Turkish dominions appertains exclusively to the Ottoman flag.

As regards your request to be furnished with instructions as to the course which should be followed by you in dealing with this matter, I have in the first place to refer you to my despatch to Sir H. Elliot No. 80 of the 23rd December, 1872, on the occasion of a similar pretension being advanced by the Porte. In this despatch will be found inclosed a copy of a Memorandum prepared by Sir E. Hertslet, showing the attitude taken by Her Majesty's Government on this subject since 1852, when the matter was brought forward by the Porte in a Circular Memorandum addressed to the foreign Representatives at Constantinople.

You will also observe that in the above-mentioned despatch Sir H. Elliott was instructed to insist upon the right of British subjects to engage in the Turkish coasting trade both in goods and passengers.

Further, on the occasion of the Porte addressing, on the 5th April, 1881, a note to Mr. Goschen in which it was said: "Le Gouvernement Impérial se réserve le droit d'interdire aux remorqueurs ou autres petits bâtiments étrangers tout service de petit cabotage sur le littoral de l'Empire." (*Vide* Mr. Goschen's despatch No. 27, Commercial, of the 18th April, 1881.) His Excellency was referred, for his information and guidance, to my despatch No. 38, Commercial, of the 28th April, 1881, to the above-mentioned instruction to Sir H. Elliot, and to the Memorandum by Sir E. Hertslet which accompanied it; and Lord Dufferin, in concert with his Italian colleague, addressed a note to the Porte on the 10th July, 1881, in which, as you will see, it is pointed out that "the right of British ships to engage in the coasting trade within the Ottoman dominions, both as regards goods and passengers, is derived from Article I of the Treaty of 1861, as well as from the Treaties between Belgium and Turkey of 1838, Article XI, and between

Greece and Turkey of 1855, Article X, and also indirectly from Article XIX of the Treaty of 1861," and that "under these circumstances, Her Majesty's Embassy regrets that it is unable to accede to the Sublime Porte's request in the matter, but must maintain the right of British ships to enjoy the privilege in question."

Having, therefore, regard to the correspondence above referred to, it seems sufficient to instruct you to refer the Porte to the communications which have already passed on the matter, and to state that Her Majesty's Government see no reason to alter the views therein expressed as to the right of British subjects to share in the coasting trade of the Ottoman dominions.

I am, &c.
(Signed) GRANVILLE.

No. 7.

Mr. Wyndham to Earl Granville.—(*Received March* 19.)

(No. 52. Commercial.)
Constantinople, March 6, 1883.

My Lord,

I HAVE the honour to transmit herewith to your Lordship a note which, in accordance with the instructions contained in your Lordship's despatch No. 22, Commercial, of the 10th ultimo, I have addressed to the Ottoman Minister for Foreign Affairs, respecting the claim advanced on the part of the Sublime Porte that the tug and coasting service in the Turkish dominions appertains exclusively to the Ottoman flag.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure in No. 7.

Mr. Wyndham to Aarifi Pasha.

Constantinople, March 8, 1883.

M. le Ministre,

ON the 10th December last the Sublime Porte did Her Majesty's Embassy the honour of addressing it a note, in which the Imperial Government claimed that the tug and coasting service in the Ottoman dominions appertained exclusively to the Ottoman flag.

Your Highness is, of course, aware that this is not the first time this question has been raised by the Sublime Porte, and that Her Majesty's Government have always, since the year 1852, consistently insisted upon the right of British subjects to engage in the Turkish coasting trade, both in goods and in passengers.

On the 5th April, 1881, a note was addressed to Mr. Goschen, then Her Majesty's Ambassador at Constantinople, by the Sublime Porte, in which it was stated that "Le Gouvernement Impérial se réserve le droit d'interdire aux remorqueurs ou autres petits bâtiments étrangers tout service de petit cabotage sur le littoral de l'Empire;" and on the 10th of the following July the Earl of Dufferin, in concert with the Italian Ambassador, replied "that the right of British subjects to engage in the coasting trade within the Ottoman dominions, both as regards goods and passengers, is derived from Article I of the Treaty of 1861, as well as from the Treaties between Belgium and Turkey of 1838, Article II, and between Turkey and Greece of 1855, Article X, and also indirectly from Article XIX of the Treaty of 1861, and that, under these circumstances, Her Majesty's Embassy regrets that it is unable to accede to the Sublime Porte's request in the matter, but must maintain the right of British ships to enjoy the privilege in question."

I have now the honour to state to your Highness that Her Majesty's Government see no reason to alter their present views on this subject, and they regret, therefore, that they cannot admit the right of the Imperial Government to claim the tug and coasting service in the Turkish dominions as an exclusive privilege of the Ottoman flag.

I have, &c.
(Signed) HUGH WYNDHAM.

No. 8.

Consul Dennis to Earl Granville.—(*Received June* 9.)

(No. 4. Commercial.)
Smyrna, June 1, 1883.

My Lord,

I HAVE the honour to inclose copy of a despatch I forwarded to the Embassy yesterday on the attempt at interference by the Governor of Mitylene and the Acting Vali of Smyrna with the right of British vessels to engage in the coasting trade of Turkey.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 1 in No. 8.

Consul Dennis to Mr. Wyndham.

Smyrna, May 31, 1883.

Sir,

ON the 29th instant I sent you a telegram in these words:—

"Roboly telegraphs as follows:—

"'Gouverneur m'informe que par suite des actes de brigandage survenus à bord d'un vapeur caboteur, et dont journaux Smyrne rendent compte, il croit son devoir de considérer tout vapeur faisant cabotage sans autorisation spéciale des autorités Ottomanes compétentes comme un bateau pirate et le traitera comme tel ici.'"

I have now the honour to inclose a translation of the despatch in Turkish in which Kemal Bey, Governor of Mitylene, signifies his intention to treat as "robber boats" all vessels which do not produce an authorization from the competent Ottoman authority to take part in the coasting trade of Turkey.

The threat contained in Mr. Roboly's telegram struck me at first as proceeding from a man bereft of his senses. With difficulty could I believe that any one in the position of a Governor, who was neither mad nor drunk, could be guilty of uttering officially such a menace. But I have since learned to my further astonishment that the Vali *ad interim*, Kiamil Pasha, acting in the same spirit, though with less truculent intentions, insists on all steamers which wish to take part in the passenger traffic within the Bay of Smyrna, changing their respective flags for the Ottoman, under pain of being prohibited from working in future. He gives them three days to accept this proposal, threatening, in case they refuse, to give a monopoly of this "cabotage" to Turkish steamers. I have sent my Dragoman to point out to him the serious responsibility he will assume should he refuse to recede from this position, in which case I shall protest against him formally and energetically.

The brigandage referred to is that the British steamer "Bellona" is reported to have conveyed to Kuluk a portion of the band which attacked the peaceable passengers after their landing, but this fact (if it be a fact) cannot be construed as an act of brigandage, save by those whose mental vision is distorted, or who are determined to regard facts from a preconceived or prejudiced point of view. They do not understand that it is impossible for the master of a passenger-vessel to know the character or to be responsible for the intentions of all the passengers he conveys. My experience of these steamers is that countrymen armed to the teeth are continually passing from one port to another on the coast or in the islands. No one pretends to assert that any brigandage was committed on board the "Bellona." It was after the landing, and even after the departure of the steamer, that the brigands made their *coup* at Kuluk. It is evident to me that the authorities have taken advantage of this fact to endeavour to prevent foreign vessels from taking part in the "cabotage," to which they are entitled under Treaties, and to confine the indulgence to a favoured few, who, if rumour speaks truth, have paid dearly for the privilege.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 2 in No. 8.

Kémal Bey to Vice-Consul Roboly.

(Traduction.)

Mételin, le 14 (26) *Mai*, 1883.

M. le Vice-Consul,

VOUS avez dû connaître par les journaux la question du brigandage surgie à Smyrne grâce aux steamers des Compagnies étrangères qui font des voyages par-ci par-là sans être munis d'une autorisation officielle du Gouvernement Impérial.

Je viens dès lors vous notifier officiellement et définitivement que me conformant à mes devoirs je considérerai comme des bateaux de voleurs les vapeurs qui toucheront à Mételin sans une autorisation de l'autorité dont je relève, et je vous prie de communiquer la présente notification aux Agents qui prétendent être placés sous la juridiction Anglaise.

Veuillez, &c.

(Signé) MÉHMED KÉMAL.

No. 9.

Consul Dennis to Earl Granville.—(*Received June* 18.)

(No. 7. Commercial.)

Smyrna, June 9, 1883.

My Lord,

I HAVE the honour to transmit herewith copy of a despatch from Mr. Vice-Consul Roboly, of Mitylene, inclosing copy of a letter addressed to him by Kemal Bey, the Governor of that island, in which his Excellency attempts to explain the threat he has officially uttered of treating all vessels engaged in the coasting trade of Mitylene as pirates, unless provided with a special sanction from the competent Ottoman authorities, as reported in my despatch No. 4, Commercial, of the 1st June, 1883.

I have, &c.

(Signed) GEO. DENNIS.

Inclosure 1 in No. 9.

Vice-Consul Roboly to Consul Dennis.

Mételin, le 5 *Juin*, 1883.

M. le Consul,

JE m'empresse de vous remettre ci-joint copie d'une lettre de Kémal Bey, Gouverneur de cette île, datée du 1er Juin, et que je n'ai reçue que le 3 de ce mois, en réponse à la lettre protestative que je lui avais adressée, par suite de votre télégramme, et dont j'ai eu l'honneur de vous envoyer une copie le 31 Mai dernier.

Vous verrez, M. le Consul, que dans cette lettre Kémal Bey parle, comme d'une chose à ma connaissance, de débarquements de passagers par les remorqueurs à vapeur Anglais et Grecs, sur certains points de l'île connus seulement pour avoir été, dans le temps, les points de débarquement de brigands.

Cette assertion m'a grandement surpris, elle est inexacte en ce qui concerne ma connaissance de ce fait, Kémal Bey, pas plus que personne autre, ne m'en ayant jamais entretenu.

Je crois dévoir ajouter que j'ai appris indirectement que Kémal Bey, afin de justifier sa conduite en cette circonstance, compte envoyer, par prochain courrier, copie de la réponse qu'il m'a adressée, à la Sublime Porte.

J'ai, &c.

(Signé) CHAS. ROBOLY.

Inclosure 2 in No. 9.

Kémal Bey to Vice-Consul Roboly.

Mételin, le 1er *Juin*, 1883.

M. le Consul,

J'AI lu avec le même regret avec lequel vous me l'avez sans doute adressée votre protestation en date du 31 Mai.

Je ne puis que la considérer comme nulle et non avenue.

J'obéis aux ordres de mon Gouvernement comme vous obéissez à ceux que vous recevez. L'affaire des bateaux remorqueurs n'a été à proprement parler qu'un incident malheureux qui par l'entêtement des soi-disant Agents a risqué de devenir une affaire sérieuse. Elle est sortie de notre sphère pour être aplanie à Constantinople entre nos chefs respectifs. Pourtant, je crois qu'il y a un malentendu dans les détails, tout au moins, si ce n'est dans l'historique des faits. Vous n'avez certainement pas oublié, M. le Consul, que c'est la Compagnie Joly qui a la première fait surgir cet incident. Cette Compagnie, prétendant être une Compagnie Anglaise, envoyait trois vapeurs à Mételin : l'un sous pavillon Ottoman, l'autre sous pavillon Hellénique, et un troisième, enfin, sous pavillon Anglais. J'ai fait observer qu'un des membres de la Compagnie étant sujet Ottoman, la compagnie devait être considérée comme placée sous la juridiction Ottomane. Sur mes observations officielles au vilayet de Smyrne, la Compagnie Joly m'a envoyé d'abord son avocat, puis son Directeur, pour me prier de leur donner le temps nécessaire pour obtenir l'ordre du Gouvernement et régulariser cette question de pavillon et de juridiction. J'ai accordé cette autorisation, peut-être contrairement aux devoirs strictement imposés à un Gouverneur, mais j'aime mon pays et c'est une des notions élémentaires de l'économie politique de faciliter les voies de communication et de commerce.

En attendant les ordres que la Compagnie Joly avait promis de produire, j'ai vu que les remorqueurs des Dardanelles aussi commençaient à venir sans aucun ordre, sans aucun avertissement, relâcher à Mételin, Molivo, et même à Pétra, qui est un village sans port et sans commerce. J'ai averti les Agents, je vous ai verbalement et par écrit prié de les avertir ; vous avez eu la bonté de le faire, mais MM. les soi-disant Agents de Compagnies et de bateaux n'ont jamais accepté ces avertissements ; ils voulaient venir presque par force. J'ai empêché un de ces bateaux de débarquer ses passagers, vous êtes venu chez moi, et en vous accordant tout ce que vous m'avez demandé, je vous avais posé une question toute simple : je vous avais demandé si ces bateaux se présentaient et faisaient viser leurs papiers de bord à votre Consulat. Vous m'avez répondu par la négative, car, selon la loi Anglaise, pour remplir ces formalités au Consulat il fallait que le vapeur restât vingt-quatre heures dans le port. Vous vous rappelez aussi que dans cette affaire un monsieur qui n'est ni capitaine, ni propriétaire, était venu chez vous pour apporter un protêt, d'où deuxième question, si vous aviez constaté sa sujétion Anglaise. Vous y avez encore répondu par la négative. Après tous ces avertissements et tous ces incidents malheureux, des remorqueurs qui hissaient le pavillon Anglais et Hellénique ont poussé l'audace jusqu'à venir débarquer des voyageurs sur des rivages inhabités et considérés comme le point de débarquement des brigands qui étaient venus dans le temps à Mételin. C'est à la suite d'une audace pareille que j'ai eu l'honneur de vous adresser ainsi qu'à M. le Vice-Consul de Grèce, la note vous avertissant que je considérerai comme bateau pirate les remorqueurs qui viendront ici sans être munis d'un ordre émanant d'une autorité quelconque.

Vous n'avez pas oublié, M. le Consul, que je vous avais dit que si ces mêmes bateaux avaient appartenu à la Compagnie Joly, je leur accorderai, malgré la discussion sur la question de pavillon et de juridiction, toutes les facilités possibles, et vous conviendrez en même temps que voyant ce qui se passe sur les rivages de l'Anatolie, je ne peux pas permettre au premier bateau venu de nous apporter des gens sans passeport, et surtout de les débarquer dans les parages qui ne sont connus que par le débarquement des brigands.

La décision de l'affaire appartient à nos supérieurs, je veux cependant pour acquis de conscience, vous entretenir un peu des Capitulations et des Traités auxquels votre note fait allusion. J'ai cherché dans tous les Traités existant entre le Gouvernement Impérial et l'Angleterre, je n'ai pas trouvé le mot de cabotage, donc l'Ambassade, faisant allusion à un Article des Traités, se base sur notre Traité avec le Gouvernement Grec. Dans ce Traité vous verrez à l'Article X que le commerce de cabotage est défini dans un sens tout-à-fait clair, c'est-à-dire qu'on y dit que le commerce de cabotage consistait en produits indigènes ou étrangers expédiés d'un port à l'autre des deux États. On comprend donc bien que l'Article du Traité ne concerne que cette espèce de commerce qui, dans la langue du droit international, s'appelle grand cabotage. Ce que j'ai empêché est ce qui s'appelle le petit cabotage, qui est un des droits de souveraineté. Supposons, pour un moment, que cet Article du Traité pourrait être appliqué pour le petit cabotage aussi, j'espère bien, M. le Consul, que l'Ambassade d'Angleterre ne mettra pas dans la série des produits locaux ou étrangers les voyageurs et les lettres. En sus, ceux qui veulent faire le cabotage doivent se soumettre aux mêmes obligations que les Ottomans d'abord et les étrangers les plus privilégiés ensuite.

La Compagnie la plus favorisée qui fait le grand ou le petit cabotage dans l'Empire, c'est le Chirket Haïrié, puis le Khédivieh, le Lloyd, les Messageries, les Fraissinet, les Florio Rubattino, et toutes ces Compagnies ont leur Firman Impérial pour exercer libre-

ment. J'espère bien, M. le Consul, que l'Ambassade de Sa Majesté Britannique, qui est le plus grand ami de l'Empire, ne persistera pas à exiger qu'un Gouverneur accorde un privilège au-dessus des Traités. Ce privilège serait plus favorable que ceux des Compagnies déjà considérées par tout le monde et ce, pour des personnes qui forment des Compagnies ou des Associations sous condition d'envoyer des bateaux à droite non seulement sans le permis du Gouvernement, mais sans la connaissance de leurs Consuls respectifs pour pousser leur drôle de commerce au colportage des lettres sans timbres-poste (ceci est prouvé à Chio et à Mételin par des sentences des Tribunaux), et à amener des gens inconnus sur des parages plus inconnus qu'eux.

Agréez, &c.
(Signé) KÉMAL.

No. 10.

Mr. Wyndham to Earl Granville.—(Received June 20.)

(Commercial.)
(Telegraphic.) *Constantinople, June 20, 1883, 2·10 P.M.*

MR. DENNIS' despatch of 31st ultimo, sent to your Lordship.

I have succeeded in obtaining permission for British steam-tugs to touch at three ports within jurisdiction of Mitylene. Particulars by next messenger.

No. 11.

Mr. Wyndham to Earl Granville.—(Received June 28.)

(No. 158. Commercial.)
My Lord, *Therapia, June 22, 1883.*

I HAD the honour to telegraph to your Lordship on the 20th instant with regard to the tug and coasting trade pursued by British vessels in Ottoman waters.

Mr. Consul Dennis forwarded to your Lordship a copy of his despatch of the 31st ultimo to this Embassy, in which he reports the intention of the authorities of Mitylene and Smyrna to treat as "pirates" any British vessels who engaged in the coasting trade without special permit. On the receipt of that despatch I at once strongly represented the case to the Sublime Porte, and requested that no impediments or restrictions should be placed to the right of my nationals to engage in the coasting trade. Having received an assurance from the Minister of the Interior that orders would be dispatched in the sense I had requested, I telegraphed to the Consular officers at Smyrna, the Dardanelles, and Mitylene that the authorities there had been instructed to desist from interference in the movements of British coasting-vessels.

A little delay occurred in the transmission of the orders of the Sublime Porte; but I have now received a satisfactory telegram from Mr. Dennis.

The incident was probably caused in consequence of representations made by the local authorities to the Sublime Porte that vessels engaged in the coasting trade occasionally landed brigands or other vagabonds and suspicious persons on lonely places on the coast, whence they could proceed to their unlawful callings. The Sublime Porte addressed a Circular note to the foreign Missions on this subject, of which I have the honour to inclose a copy. Those Missions to whom the question more especially refers have requested the Sublime Porte to state in more precise terms the grounds on which their complaints are based.

I have informed Mr. Dennis that I am of opinion that coasting-vessels cannot claim the right to frequent ports where there are no properly constituted authorities. As the matter at present stands, British vessels have been authorized to touch at Molivo, Mascanisi, and Mitylene; whereas all the ports of Mitylene had been suddenly closed to them.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure in No. 11.

Note Verbale.

IL résulte d'un rapport du Ministère de la Marine que des remorqueurs sous pavillon étranger accostent aux échelles Ottomanes pour y débarquer clandestinement des voyageurs suspects.

Cet état de choses, qui est fait pour soustraire les voyageurs au contrôle de la police, ne laisse pas que d'offrir de sérieux inconvénients au point de vue de l'ordre et de la sécurité publics.

Le Ministère des Affaires Étrangères prie l'Ambassade de Sa Majesté Britannique de vouloir bien prescrire aux capitaines ou propriétaires de remorqueurs sujets Anglais de s'abstenir désormais d'un acte aussi illicite que celui dont il s'agit.

Sublime Porte, le 28 Avril, 1883.

No. 12.

Earl Granville to Mr. Wyndham.

(No. 96. Commercial.)
Sir, *Foreign Office, June 29, 1883.*

I APPROVE your action in regard to the tug and coasting trade pursued by British vessels in Ottoman waters, as reported in your despatch No. 158, Commercial, of the 22nd instant.

I am, &c.
(Signed) GRANVILLE.

No. 13.

Mr. Wyndham to Earl Granville.—(Received July 5.)

(No. 167. Commercial.)
My Lord, *Therapia, June 29, 1883.*

WITH reference to my despatch No. 52, Commercial, of the 6th March last, I have the honour to transmit herewith copy of a note which I have received from the Minister for Foreign Affairs, maintaining the former contention of the Sublime Porte that British vessels cannot claim a right to participate in the general coasting trade; and demurring to the statement that the Treaties of Turkey with Greece and Belgium meet the case at issue.

The second of the Embassy notes referred to by Aarifi Pasha touched upon a special case, and I have the honour to transmit a copy of it herewith.

I should be glad to receive your Lordship's instructions as to the reply I should make to the points raised in the note by Aarifi Pasha.

With reference to this question, I have the honour to inform your Lordship that Mr. Consul Dennis telegraphed, on the 27th instant, that the Vali had been informed by the Minister of the Interior that no steamers, native or foreign, have a right to coasting trade inside the port of Smyrna without permission, and that, on the 28th instant, I directed Mr. Dennis to protest against such a prohibition.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 13.

Aarifi Pasha to Mr. Wyndham.

Sublime Porte, Ministère des Affaires Étrangères, le 28 Juin, 1883.

M. le Chargé d'Affaires,

J'AI reçu les deux notes que vous m'avez fait l'honneur de m'adresser les 8 Mars et 3 Mai derniers, relativement à la question de cabotage et à la défense faite au remorqueur "Marie Louise" de la part des autorités de Mitélin de toucher aux échelles de cette île.

Vous savez, M. le Chargé d'Affaires, que suivant les principes du droit international, les golfes, les fleuves, les ports, les baies, les mers intérieures, &c., sont considérés comme

étant sous le domaine direct et immédiat de l'État. Ce domaine s'étend, en outre, sur les grandes mers jusqu'à une distance de 3 milles des côtes.

Dans l'espèce la Mer de Marmara et les eaux analogues demeurent par conséquent sous le domaine de l'Empire Ottoman. Au surplus, comme il est généralement reconnu que le service de cabotage est exclusivement réservé au pavillon national, le Gouvernement Impérial demeure libre d'accorder ou de refuser l'autorisation de faire un pareil service.

L'Ambassade de Sa Majesté Britannique objecte cependant que le droit reconnu aux Puissances, en vertu des actes publics existants, d'être traitées sur le pied de la nation la plus favorisée, les autorise à prétendre à la liberté de cabotage dans les eaux de la Turquie. Les dispositions du Traité Turco-Belge de 1838 ainsi que celles de l'Article X du Traité Turco-Grec de 1855 cités à l'appui de cette thèse comme accordant le privilège en question aux pavillons Belge et Hellène ne sauraient trouver leur application dans le cas qui nous occupé. En effet, l'Article X du Traité de 1855 dit "qu'il est convenu entre les Hautes Parties Contractantes que le commerce de cabotage consistant en produits indigènes ou étrangers, expédiés d'un port à l'autre des deux États, pourra se faire librement par les navires et les sujets des deux pays respectifs à la charge par eux, &c." L'Article XI du Traité Turco-Belge est conçu dans un sens analogue.

Or, en se basant sur une règle de droit suivant laquelle toute exception d'une loi doit être interprétée, dans un sens restrictif, le Gouvernement Impérial n'hésite point à déclarer que le droit dont il est question dans ces Traités ne vise point un service régulier de cabotage mais bien des cas isolés de transport par des navires Hellènes ou Belges en Turquie et par des navires Ottomans en Grèce ou en Belgique de marchandises qui consisteraient en produits indigènes ou étrangers.

Un service côtier régulier ne pouvant qu'être assimilé en tous points aux services de chemin de fer, de poste, de télégraphe, de navigation à vapeur sur les fleuves, ne doit être, de même que ceux-ci, exercé que sur une autorisation expresse de l'autorité territoriale. Ainsi ni le droit strict ni les dispositions des Traités existants ne permettent aux bâtiments étrangers de revendiquer le droit d'exercer dans les eaux Ottomanes les cabotages réguliers sans en avoir obtenu l'autorisation préalable du Gouvernement Impérial.

Telles sont les considérations qui empêchent la Sublime Porte de donner suite à la demande qui fait l'objet des notes auxquelles j'ai l'honneur de répondre.

En les portant à votre connaissance je suis persuadé que dans votre appréciation équitable et éclairée vous voudrez bien en reconnaître toute la justesse.

Agréez, &c.
(Signé) A. AARIFI.

Inclosure 2 in No. 13.

Mr. Wyndham to Aarifi Pasha.

Constantinople, May 3, 1883.

M. le Ministre,

HER Britannic Majesty's Consul at Smyrna informs me that on the arrival of the tug "Marie Louise," flying the British flag, in the port of Molivo, the authorities of Mitylene refused to allow her to communicate with the shore as she had been accustomed to do, and announced that she would not be allowed to touch at any of the ports of Mitylene unless she could show that she belonged to the Company Joly of Smyrna, or could produce an order from Constantinople or from the Vali of the Islands of the Archipelago authorizing her to engage in the coasting trade.

In view of these proceedings, the agent of the above-mentioned tug hastened to protest and to put in a claim for damages.

In my note of the 8th March last I had the honour to inform the Sublime Porte that Her Majesty's Government regretted that they were unable to admit that the coasting service of tug-boats was an exclusive privilege of the Ottoman flag.

Your Highness is not unaware that, on the one hand, the merchant-vessels of all nations have hitherto been at liberty to communicate with Ottoman ports, and that several lines of English, French, Austrian, Italian, and Russian steamers exist; and that, on the other hand, the authorities cannot consider the Company Joly of Smyrna as enjoying an exclusive right to the coasting trade at Mitylene.

In these circumstances, nothing should prevent the tug "Marie Louise," belonging to Mr. Wardle, of the Dardanelles, from engaging in the coasting trade on the same footing as other vessels.

I consider it, therefore, my duty, M. le Ministre, to call the serious attention of the Sublime Porte to what has been stated above, and to protest formally against the action of

the Imperial authorities at Mitylene, in begging your Highness to be good enough to send, without delay, the necessary orders to the Governor of Mitylene to refrain for the future from giving instructions which infringe the rights of British subjects as established by Treaties.

I avail, &c.
(Signed) HUGH WYNDHAM.

No. 14.

Mr. Wyndham to Earl Granville.—(Received July 5.)

(No. 174. Commercial.)

My Lord, *Therapia, June 30, 1883.*

IN continuation of my despatch No. 167, Commercial, of the 29th instant, I have the honour to transmit to your Lordship a copy of a despatch I have just received from Mr. Consul Dennis in regard to the right of British vessels to "cabotage" in the port of Smyrna.

I am continuing to press the matter at the Sublime Porte.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 14.

Consul Dennis to Mr. Wyndham.

Sir, *Smyrna, June 28, 1883.*

YESTERDAY I had the honour to send you the following telegram:—

"Vali informs me Minister of Interior writes: No steamers, native or foreign, have right to 'cabotage' within port without permission."

I now inclose translation of the Vali's letter to me, on which I have only to remark that it appears to me to indicate another attempt, and an underhand attempt, to establish a monopoly of "cabotage" within the Bay of Smyrna. For if a permission from the higher authorities at Constantinople is made a *sine qua non*, it will be a very easy matter for the authorities, on one pretext or another, to refuse that permission to all save the one Company which is to enjoy the monopoly. I submit this view of the subject to your Excellency for what it may be worth, and have, &c.

(Signed) GEO. DENNIS.

P.S. 3 P.M.—Your telegram of to-day just received. It refers at present, I believe, to the port alone, but it is very elastic, and if not checked at once, is pretty sure to extend to the whole bay, and even beyond it. In my recent interview with the Pasha on the subject I tried to obtain an answer on this very point, but found it very difficult to extort a categorical reply, as he is an adept in evasion. He pretended not to know the topography of the gulf, which ignorance I interpret thus: if he is allowed to take his first step within the port, he will endeavour to take his second outside.

G. D.

Inclosure 2 in No. 14.

Kiamil Pasha to Consul Dennis.

(Translation.)

Sir, *June 26, 1883.*

I BEG to inform you that, after the conversation which passed between us last week about the "cabotage," I referred the matter to the Minister of the Interior, who writes to me that steamers under foreign flags and other steamers have no right to "cabotage" in the port without permission.

I have, &c.
(L.S.) KIAMIL.

No. 15.

Earl Granville to Mr. Wyndham.

(No. 122 A. Commercial.)

Foreign Office, July 31, 1883.

Sir,

I HAVE had under my consideration your despatches Nos. 167 and 174, Commercial, of the 29th and 30th ultimo, relative to the right of British subjects and vessels to participate in the Turkish coasting trade.

I transmit herewith, for your information, copies of two Memoranda on this question.* In these papers the points to be now considered are fully stated; and I have to request that you will answer Aarifi Pasha's note of the 28th ultimo, and that in case of need you will instruct Her Majesty's Consuls in Turkey to the effect that the Turkish Government have fully admitted the right of the coasting trade to the subjects of any country which has granted it to Ottoman subjects. In the United Kingdom the coasting trade is open to Turkish subjects, and therefore, on the ground admitted by the Porte, British subjects may claim to participate in the Turkish coasting trade on the same footing as natives.

I am, &c.

(Signed) GRANVILLE.

No. 16.

Mr. Wyndham to Earl Granville.—(Received August 2.)

(No. 226. Commercial.)

Therapia, July 25, 1883.

My Lord,

WITH reference to my despatch No. 167, Commercial, of the 29th ultimo, I have the honour to transmit herewith copies of further despatches which I have received from Mr. Consul Dennis in regard to the coasting trade with Mitylene. Your Lordship will observe that the Mutessarif of Mitylene denies the right of British vessels to participate in the general coasting trade in Mitylene, and asserts that only a provisional permit has been accorded to them to touch at certain specified ports.

I inquired of Mr. Dennis what foreign vessels beyond the English and Greek boats were engaged in the coasting service, and he informs me that Austrian, French, Italian, and Russian steamers are engaged in the general coasting trade of Asia Minor and Islands, but only Austrian steamers and the French boats of the Fraissinet Line touch at Mitylene.

The objections lately raised by the Sublime Porte merely relate, as far as I can gather, to tug-boats carrying passengers and cargo to the smaller ports of the Island of Mitylene and other places, especially in the Bay of Smyrna, which the larger vessels of the above-mentioned lines do not visit.

It would appear further that the Greek boat which has visited Petra, the port in Mitylene still closed to British vessels, has lately hoisted the Ottoman flag, and has so avoided any interference from the authorities.

In these circumstances, I propose to defer any action on Mr. Dennis' two despatches until I receive your Lordship's instructions, which I have requested in my despatch No. 167, Commercial.

The Ottoman authorities state that no objection would be raised to the British tugs limiting, as they do in the Bosphorus, their operations to services of towing, but the chief object of their employment is the carrying of passengers, cargo, and letters to places which are not reached by other steamers under foreign flags.

I have, &c.

(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 16.

Consul Dennis to Mr. Wyndham.

Smyrna, July 14, 1883.

Sir,

WITH reference to my previous despatches and telegrams about the prohibition of British steamers engaged in the coasting trade of Turkey to enjoy free communication with the ports of Mitylene, and especially with reference to the last paragraph of my despatch of the 21st June, I have now the honour to report that I have received

* November 28, 1872; July 16, 1883.

two letters from Mr. Vice-Consul Roboly, informing me that the Mutessarif of Mitylene persists in preventing vessels under the British flag from touching at Petra, although he allows that privilege to rival vessels under other foreign flags.

In his first letter, dated the 6th July, Mr. Roboly incloses copy of a protest urged by M. Grigiotti, agent of the "Hellespont" Company of the Dardanelles, against the authorities of Mitylene for this prohibition. Copies of the said letter and protest I have the honour to inclose.

In his second letter, dated the 12th July, Mr. Roboly confirms that of the 6th, and incloses the reply of the Mutessarif, in the original Turkish, to M. Grigiotti's protest, which he does not accept, and therefore returns to Mr. Roboly. His Excellency condescends, however, to explain that, as at Petra there is no maritime police, he cannot allow any vessels under foreign flags to touch at that little port, and this he assigns as his reason for excluding British steamers. He acknowledges, notwithstanding, that he has allowed the "Tenedos," the rival vessel to the Hellespont Company, to touch at Petra, because she has offered to hoist the Ottoman flag. He has also allowed British vessels, he says, to touch at the ports of Mitylene, Molivo, and Mascanisi, on condition that within three months they produce special authority from the Porte. But he objects to tug-boats acting in any other capacity than as tug-boats, and maintains they have no right to interfere in the coasting trade of Turkey, or to carry passengers, goods, or letters. This view, he says, is held also by his superiors, in instructions he has recently received from the Minister of Marine.

Copy of Mr. Roboly's despatch is also inclosed, but a translation of the Mutessarif's reply to the protest is necessarily deferred to the next opportunity, as there is no time to translate it, for the mail is now leaving.

I have, &c.

(Signed) GEORGE DENNIS.

Inclosure 2 in No. 16.

Vice-Consul Roboly to Consul Dennis.

Mitylene, July 6, 1883.

Sir,

I HAVE the honour to inclose herewith copy of a protest, dated the 5th July, signed by M. H. Grigiotti, agent in Mitylene of the Hellespont Company of the Dardanelles, against the local authority, which I have already notified to the representative of the Mutessarif, himself being absent from the town.

As you will remark, M. Grigiotti, in his protest, observes that while the access of the village of Petra (Island of Mitylene) is still prohibited to the English coasting-vessels of that Company, it was lately allowed to foreign vessels belonging to rival Companies.

This being true would justify the claims of the Hellespont Company, and prove that the Mutessarif maintains his pretensions in not letting the coasting trade of the Island of Mitylene entirely free to English vessels.

I am, &c.

(Signed) C. ROBOLY.

Inclosure 3 in No. 16.

M. Grigiotti to Vice-Consul Roboly.

Mitélin, le 5 Juillet, 1883.

M. le Vice-Consul,

CONSIDÉRANT que, en vertu des Traités entre le Gouvernement de Sa Majesté Britannique et la Sublime Porte Ottomane, le cabotage est libre en Turquie pour les vapeurs battant pavillon Anglais, et que en interdisant aux vapeurs de la Compagnie que je représente de relâcher à Petra on viole ces Traités, et l'on porte un sérieux préjudice aux intérêts de la Compagnie, car l'on accorde cette autorisation aux vapeurs des Compagnies concurrentes.

Par ces motifs je viens, en vertu des instructions que j'ai reçues de mon chef, Mr. James Wardle, Directeur de la Compagnie des Dardanelles Hellespont, protester solennellement et juridiquement contre qui il appartient ou pourrait appartenir pour cette interdiction, rendant qui de droit responsable de tous les dommages, frais, et intérêts qui résultent de cette interdiction, sous les réserves pour mon chef de faire valoir ses réclamations en temps opportun par devant l'autorité compétente.

Je vous prie, M. le Vice-Consul, de vouloir bien transmettre un original de la présente protestation à l'autorité locale et de m'en délivrer un certifié conforme pour les fins de droit.

J'ai, &c.
(Signé) H. C. GRIGIOTTI.

Inclosure 4 in No. 16.

Vice-Consul Roboly to Consul Dennis.

Sir, *Mitylene, July* 12, 1883.

I HAVE the honour to confirm my despatch of the 6th instant, to which was annexed copy of a protest against the Mutessarif of this island, signed Grigiotti, agent in Mitylene of the Hellespont Company of the Dardanelles.

The access of the village of Petra (Island of Mitylene) being prohibited by the local authorities to English coasting-vessels belonging to this Company, while it was allowed to foreign vessels of rival Companies, occasioned this protest. To-day I beg to inclose herewith, in original, the Mutessarif's answer, dated the 10th instant, accompanying the return of the said protest, in which you will notice that this functionary still persists in not letting the coasting trade of this island entirely free to English vessels.

I have, &c.
(Signed) C. ROBOLY.

Inclosure 5 in No. 16.

Consul Dennis to Mr. Wyndham.

Sir, *Smyrna, July* 17, 1883.

WITH reference to my despatch of the 14th July, I have the honour to inclose a translation of the reply of the Mutessarif of Mitylene to the protest of the agent of the Hellespont Company of the Dardanelles at that port, to which I referred in the said despatch.

It appears from this document that the Mutessarif does not concede a single point as regards his denial of the right of British vessels to engage in the coasting trade, but insists, as stiffly as ever, on the exclusive right of the Imperial Government to this branch of the navigation and commerce of the Ottoman Empire, and being supported in his view by the Minister of Marine, he maintains that if vessels under the British flag are allowed to touch at three ports in Mitylene, it is an indulgence granted only provisionally and conditionally, and entirely through the favour of the Ottoman authorities, thus ignoring all claim to it on the part of British subjects as a right guaranteed to them by Treaties.

I have, &c.
(Signed) GEORGE DENNIS.

Inclosure 6 in No. 16.

Kemal Bey to Vice-Consul Robaly.

(Translation.)

Sir, *Mitylene, July* 9, 1883.

I HAVE perused the protest that the notorious Xenophon sent me, through you, in the name of the "Hellespont Company." As I have written to you several times, the "petit cabotage" in the Imperial dominions being the exclusive right of the Sovereign, is certainly not free. The Minister of Marine expressly states that tug-boats are only allowed to tow vessels, and have no right to carry passengers' letters or goods. Beyond the provisional permit which has been granted to the steamers solely for facilitating communication with this port, on the condition that an authorization from Constantinople be obtained within three months, they have nothing in support of their claim. This provisional permit is limited to the ports of Mitylene, Molivo, and Younda, where the authorities are able to put the maritime law into execution. The steamer "Tenedos" having accepted Turkish nationality has officially demanded authority to hoist the Ottoman flag; the fulfilment of the formalities being in hand, and, as the superintendence of vessels under the Turkish flag is possible wherever they may be, there is therefore no impediment

to the "Tenedos" touching at Petra. It is solely by favour of the authorities that the Hellespont Company is permitted to work here, and because the authorities not having sufficient land and maritime forces to prevent any evil actions on the part of foreign vessels, have not allowed the Company to communicate with Petra, the Company has protested.

I believe that, with your sense of justice, you will agree that this protest is contrary to all principle in the world, and, therefore, considering it as null and void, I beg to return it herewith inclosed.

I have, &c.
(Signed) MEHEMED KEMAL.

No. 17.

Mr. Wyndham to Earl Granville.—(Received August 2.)

(No. 227. Commercial.)

My Lord, *Therapia, July* 26, 1883.

WITH reference to my despatch No. 226, Commercial, of the 25th instant, I have the honour to transmit herewith to your Lordship copies of a further despatch, and its inclosures, from Her Majesty's Consul at Smyrna, respecting the objections raised by the Mutessarif of Mitylene to vessels under the British flag taking part in the coasting trade ("petit cabotage").

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 17.

Consul Dennis to Mr. Wyndham.

Sir, *Smyrna, July* 23, 1883.

WITH reference to my despatches of the 14th and 17th instant, I have the honour to inclose copy of another despatch from Mr. Vice-Consul Roboly on the same subject, covering two communications made to him by the Mutessarif of Mitylene, which confirm the information I have already given your Excellency, that the Mutessarif persists in maintaining that what he designates the "petit cabotage," by which he appears to mean the coasting trade by means of tug-boats, is exclusively the right of the Sovereign, and in demanding that vessels under the British flag engaged in that trade should provide themselves with the special sanction of the Porte, to obtain which he has allowed them a period of three months, at the expiration of which, failing their production of such documentary sanction, he threatens to prohibit all communication of the British vessels in question with the Island of Mitylene. He further requires that the masters of these vessels should be provided with certificates of competency. He appears to be endeavouring to throw all possible obstacles in the way of the continued participation by British vessels in the coasting trade of Asia Minor.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 2 in No. 17.

Vice-Consul Roboly to Consul Dennis.

Sir, *Mitylene, July* 20, 1883.

I HAVE the honour to confirm my despatches of the 6th and 12th instant. The 16th instant I received from the Mutessarif of Mitylene the two letters herewith inclosed in original.

In the first he invites the ship-owners of English vessels engaged in the coasting trade of this island to furnish themselves, in the delay of three months he has already given, with the Imperial authorization necessary to the vessels engaged in the coasting trade; otherwise, at the expiration of the said delay, he will be obliged to prohibit to English vessels the coasting trade of this island.

In the second he asks me to examine the diplomas of the masters and the documents

concerning the vessels under the British flag engaged in the coasting trade of the island, and to let him know if all these documents are regular.

I have, &c.
(Signed) CHS. ROBOLY.

Inclosure 3 in No. 17.

Kemal Bey to Vice-Consul Roboly.

(Translation.)
Sir, *Mitylene, July* 16, 1883.

AS you are aware, tug-boats carrying the English flag have been allowed to ply between these ports on condition that they obtain within three months an official permit from the Porte. A long time has elapsed since this conditional permission was given, and nothing has yet been done towards obtaining the permit. As my previous letters show that, even though they obtain the official permit, the said steamers have no right by Treaties to the "petit cabotage," and should they attempt again to interfere with the rights of the Sovereign, I shall not be able to pass it over in silence, and your sense of justice will not allow the owners of the steamers to make me regret having given, on my own responsibility, the provisional permit solely to facilitate communication with this island. In order to avoid further difficulty, I sincerely beg that you will be pleased to request those whom it may concern to obtain as soon as possible the official permit required by maritime law and by Treaty.

I have, &c.
(L.S.) MEHEMED KEMAL.

Inclosure 4 in No. 17.

Kemal Bey to Vice-Consul Roboly.

(Translation.)
Sir, *Mitylene, July* 16, 1883.

I BEG that you will be pleased to examine the diplomas and passports of the captains of the steamers carrying the English flag which are working here, and to inform the authorities whether, according to English law, these captains are fit to command these steamers.

I have, &c.
(L.S.) MEHEMED KEMAL.

No. 18.

Earl Granville to Mr. Wyndham.

(No. 126. Commercial.)
Sir, *Foreign Office, August* 4, 1883.

I HAVE to acknowledge the receipt of your despatches Nos. 226 and 227, Commercial, of the 25th and 26th ultimo, relative to the coasting trade with Mitylene.

If you wish to receive further instructions on the subject, I have to request that you will mention the precise points. At present it seems to be sufficient to refer you to the general instructions relative to the right of British subjects to participate in the coasting trade of the Ottoman Empire which are contained in my despatch No. 122A, Commercial, of the 31st ultimo.

I am, &c.
(Signed) GRANVILLE.

No. 19.

Mr. Wyndham to Earl Granville.—(Received August 16.)

(No. 247. Commercial.)
My Lord, *Therapia, August* 10, 1883.

WITH reference to my despatch No. 227, Commercial, of the 26th ultimo, and to previous correspondence, I have the honour to inclose herewith copies of two despatches

from Mr. Maling, British Vice-Consul at the Dardanelles, respecting the proceedings of the Mitylene authorities with regard to British tugs engaged in the coasting trade. I am in consultation with Mr. Acting Consul-General and Judge Tarring as to the steps Mr. Wardle should take to press his claim for indemnity, which I presume he should do in the Tidjaret Court; and I yesterday begged Aarifi Pasha to request the Minister of the Interior to send orders to the Mutessarif of Mitylene not to take further precipitate action against the British vessels in question, and I observed to him that the threat which Kemal Bey had expressed to treat them as pirates unless they received a special permit from the Porte to engage in the coasting trade appeared to me to be a very serious measure. I told his Highness that I had forwarded to your Lordship his note on the coasting trade of the 28th June; that I was awaiting your Lordship's instructions on the subject, and that, therefore, pending the consideration of the question, I hoped Edhem Pasha would send orders at once to Kemal Bey to suspend his action against the British tugs. Aarifi Pasha very obligingly immediately caused my request to be conveyed to the Minister of the Interior, who sent back word that he would at once comply with it, and I begged Aarifi Pasha to be so good as to express my thanks to Edhem Pasha.

I may mention to your Lordship that Aarifi Pasha stated that he was about to preside over a Commission which had been appointed to consider the question of the coasting trade.

As the inclosures in Mr. Maling's first despatch of the 31st July are the same as those inclosed in my despatches Nos. 226 and 227, Commercial, of the 25th and 26th July last, I do not trouble your Lordship with copies of them.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 19.

Vice-Consul Maling to Mr. Wyndham.

Sir, *Dardanelles, July* 31, 1883.

AFTER the receipt of your telegram of the 20th June, stating that British tugs were free to call at Molivo, Makomi, and Mitylene (the second-named place probably was not clearly rendered by the telegraph, and was interpreted as meaning Mosconissi), the tugs resumed their coasting voyages.

I informed the owners that you were of opinion that their boats should only frequent ports where there are properly constituted authorities. With reference to this recommendation, the tug-owners replied that at all places they frequent the Custom-house is represented, and that with full knowledge of the absence of other constituted authorities no impediment is offered to their trading at any places on the coast of the mainland. To the contrary the supreme authorities of the Dardanelles, and, so far as I can judge, those of Smyrna as well, favour and give all encouragement to their enterprise, so much so that the authorities continually suggest to the tugs to add other small calling-places to their itinerary.

The fact is the local authorities of the mainland find great convenience and facilities in the regular intercourse thus established, and in the interest of the Administration support and encourage such enterprise.

It is only the Mitylene authorities who have thrown obstacles in its path, seemingly with the view of favouring rival enterprise under Greek and Turkish flags.

The places which the Mutessarif of Mitylene interdicts to British vessels are made free to other boats under Greek and Turkish colours. To the unfairness of closing the port of Petra to English and leaving it open to other flags the British tug-owners especially draw attention.

Mr. James Wardle, owner of British tugs, and manager of an Association of Dardanelles tugs, under English and Greek colours, has just handed me copies of three official papers which tend to show that the Mitylene authorities propose again to prohibit the coasting trade of the island to English tugs, and intend to [?] vessels of any class whatever of British nationality.

These papers I have the honour to inclose herewith.* The first is a protest in French addressed by Mr. Wardle's Mitylene agent, Xenophon Gortzioti, to the Mutessarif of Mitylene, against the closing of the port of Petra to the British while leaving it open to other flags. The second is a communication in Turkish, with French version of the

* The inclosures mentioned in this despatch were sent to this Embassy in Mr. Dennis' despatches of the 17th and 23rd July, and have already been forwarded in Nos. 226 and 227 of the 25th and 26th July last.

Mutessarif Kemal Bey's answer to Gortzioli's protest addressed to Vice-Consul Roboly. The third, in Turkish, with French translation, is also a communication from Kemal Bey to the resident British Vice-Consul.

In these despatches the Mutessarif of Mitylene asserts that the British vessels are working under sufferance; that the delay granted to them by himself for obtaining the formal authorization to perform coasting voyages has expired, that he cannot tolerate such usurpation of his Sovereign's rights, and implies, somewhat vaguely perhaps, that he will resort to his former prohibitory policy.

Reading Kemal Bey's letters one utterly fails to gather from them that the order transmitted to him by the Porte six weeks ago had reached him. The tugs seem, according to him, to have resumed working by his permission, and under conditions laid down by him. His letters fully confirm the complaint of British tug-owners as to his having closed the port of Petra to the British flag, and of leaving it free to a rival coaster while under the Greek flag, and of continuing to favour her on her changing that flag for the Turkish one. The allegation that the authorities cannot control the proceedings of foreign vessels at Petra is self-contradictory, as for several months the Greek tug "Tenedos" has been allowed to call there, while during the same interval British coasters have been prevented.

The "Tenedos" tug having borrowed the Turkish flag, the question now is confined to British and Turkish vessels. Are they to enjoy a parity of treatment?

On this question of equality between the two flags, so far as concerns the port of Petra, and in consequence of the menace of the Mutessarif to close the Island of Mitylene altogether to the British flag, I venture, at the request of Mr. Wardle and the other English tug-owners of the Dardanelles, to ask you to be so kind as to support their interests in such a manner as will enable them to pursue the lawful calling they have followed for so many years unrestricted.

Mr. James Wardle expresses his intention to pursue his claim to an indemnity from the Turkish authorities, and he calls on me to inform him what further steps, in addition to the protest he handed in to Her Majesty's Consul at Smyrna, he must take with that view. To be in a position to advise him I must venture to ask your counsels as to the course open to him.

I have, &c.
(Signed) J. MALING.

Inclosure 2 in No. 19.

Vice-Consul Maling to Mr. Wyndham.

Dardanelles, July 31, 1883.

Sir,

WITH reference to my previous despatch of this date, on the disabilities which the Mitylene authorities seek to impose on the British flag, I think it needful to add that the large lines of Mediterranean steamers, such as the Austrian Lloyd's and Marseilles Fraissinet Companies, have regular services at Mitylene, where these vessels call on their passage between Constantinople and Smyrna, and *vice versâ*.

The "cabotage" which Kemal Bey reserves as a sovereign right is thus, at any rate so far as concerns his district, enjoyed by the Austrian and French flags.

Kemal Bey seeks to draw a distinction between tugs and other vessels. He holds that tugs can only lawfully be employed in towing, and not as carriers. In the proceedings of the International Tonnage Commission of 1873, which sat at Constantinople, tugs are classed as trading vessels. (See last Rule.) The Porte then, in 1873, acknowledges the right of tugs to be carriers of merchandize and passengers.

I have, &c.
(Signed) J. MALING.

No. 20.

Mr. Wyndham to Earl Granville.—(Received August 30.)

(No. 264. Commercial.)

My Lord,

Therapia, August 22, 1883.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 122 A, Commercial, of the 31st ultimo, and to inclose herewith to your Lordship copy of a

further note which I have addressed to Aarifi Pasha, Ottoman Minister for Foreign Affairs, claiming the right for British ships to engage in the coasting trade within the Ottoman dominions as regards both goods and passengers, and I have expressed to his Highness the hope that orders will be sent by the Sublime Porte to the Imperial authorities concerned to respect that right.

As the right of engaging in the coasting trade has, as I have recently reported to your Lordship, been interfered with by the local authorities at Smyrna, Mitylene, and the Dardanelles, I have thought it advisable to address a Circular despatch to Her Majesty's Consuls, copy of which is herewith inclosed, in the terms of the last part of your Lordship's above-mentioned despatch.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 20.

Mr. Wyndham to Aarifi Pasha.

M. le Ministre,

Therapia, August 15, 1883.

I HAVE had the honour to receive the note which your Highness was good enough to address to me on the 28th June last, in reply to my notes of the 8th March and 3rd May respectively, on the question of the right of British vessels to engage in the coasting trade in the Ottoman Empire.

Your Highness stated in the above-mentioned note the reasons which led the Sublime Porte to regard participation on the part of British vessels in the coasting trade as a privilege which might be conceded, but not as a right which could be claimed.

The arguments which your Highness employed in support of this view have been carefully considered, and I now beg leave to offer your Highness some further elucidation of the points at issue.

In the first place, I would wish to remark that the coasting trade in the United Kingdom is open to Ottoman subjects, and that the Sublime Porte have, on more than one occasion, distinctly admitted the right of the coasting trade in Turkey to the subjects of any country which has granted it to Ottoman subjects. From these premises, which are undeniable, no other conclusion can be deduced than that British subjects have a right to participate in the coasting trade of the Ottoman Empire, as regards goods and passengers, on the same footing as natives.

This position, which, on the above grounds alone, is quite unassailable, is still further strengthened when a reference is made to the most-favoured-nation clause of the Treaty of the 29th April, 1861.

I gather from your Highness' note that the Ottoman Government is disposed to consider that the provisions of the Turco-Belgian Treaty of 1838, and of the Turco-Greek Treaty of 1855, which treat of the "commerce côtier," do not come within the scope of Article I of the Treaty of 1861; and in order to establish the limited nature of the concessions made in the Treaties of 1838 and 1855, your Highness states: "en effet, l'Article X du Traité de 1855 dit: 'qu'il est convenu entre les Hautes Parties Contractantes que le commerce de cabotage consistant en produits indigènes ou étrangers expédiés d'un port à l'autre des deux États pourra se faire librement par les navires et les sujets des deux pays respectifs à la charge par eux,' &c. L'Article XI du Traité Turco-Belge est conçu dans un sens analogue."

The quotation which your Highness makes from Article X of the Treaty of 1855 omits, however, an important passage which immediately follows the words cited above; for the Article continues: "de se soumettre aux mêmes obligations et d'acquitter les mêmes droits auxquels sont assujettis les navires les plus favorisés soit nationaux soit étrangers." Article XI of the Turco-Belgian Treaty is couched in somewhat analogous terms, but it contains the additional stipulation: "toutefois, il sera assimilé aux règlements par le commerce intérieur appliqués de part et d'autre aux sujets de Puissances amies les plus favorisées."

The argument, therefore, that a special and exclusive right affecting solely the two interested countries has been granted by the two Treaties of 1838 and 1855 is hardly tenable.

I trust that your Highness, after a perusal of the above observations, will no longer feel any hesitation in recognizing the right to a participation in the coasting trade, which

is claimed, and has been for so long enjoyed, by British vessels, and that orders will be sent by the Sublime Porte to the Imperial authorities concerned to respect that right.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 2 in No. 20.

Circular addressed by Mr. Wyndham to Her Majesty's Consuls at Turkish Ports.

Therapia, August 20, 1883.

Sir,

THE right of British vessels to engage in the coasting trade in the Ottoman Empire having recently been questioned by the Ottoman Government, I referred the matter to the consideration of Her Majesty's Government.

Earl Granville has informed me, in reply, that the Turkish Government have fully admitted the right of the coasting trade to the subjects of any country which has granted it to Ottoman subjects. In the United Kingdom the coasting trade is open to Turkish subjects, and therefore, on the ground admitted by the Porte, British subjects may claim to participate in the Turkish coasting trade on the same footing as natives.

I convey to you the views of Her Majesty's Government on the subject, as stated above, for your information and guidance in case of need.

I am, &c.
(Signed) HUGH WYNDHAM.

No. 21.

Mr. Wyndham to Earl Granville.—(*Received August* 30.)

(Commercial.)
(Telegraphic.) *Constantinople, August* 30, 1883, 7 P.M.

I HAVE received the following, dated to-day, from Mr. Dennis, Smyrna:—

"Officially announced that monopoly of 'cabotage' for Symrna Gulf and Chesmé coast had been granted for thirty years to Yahia Effendi. Firmans and 'Cahiers' already sent to Vali by Minister of Public Works."

No. 22.

Earl Granville to Mr. Wyndham.

(No. 154. Commercial.)

Foreign Office, September 4, 1883.

Sir,

I HAVE to acknowledge the receipt of your despatch No. 264, Commercial, of the 22nd ultimo, and to state that I approve the note to Aarifi Pasha, and the Circular to Consuls, copies of which are therein inclosed, relative to the right of British subjects to participate in the Turkish coasting trade.

I am, &c.
(Signed) GRANVILLE.

No. 23.

Consul Dennis to Earl Granville.—(*Received September* 10.)

(No. 10. Commercial.)

Smyrna, August 31, 1883.

My Lord,

I HAVE the honour to inclose copy of a despatch I have sent to Her Majesty's Embassy, reporting that a Firman has been granted by the Porte to a certain Yahia Effendi for the monopoly of the "cabotage" within the Gulf of Smyrna and of the coast of Chesmé, outside the gulf, for a term of thirty years, the Company to be composed exclusively of Ottoman subjects.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 1 in No. 23.

Consul Dennis to Mr. Wyndham.

Smyrna, August 30, 1883.

Sir,

WITH reference to your Excellency's Circular despatch of the 20th instant, in which you inform me that as regards the coasting trade of Turkey the Vali has fully admitted the principle of reciprocity, and the right to participate in it of the subjects of any Power which has granted the same to Ottoman subjects, and the coasting trade of the United Kingdom being open to Turkish vessels, British subjects can claim to participate in the coasting trade of the Ottoman Empire on the same footing as natives, I have the honour to inclose translation of a Notice just published in the official paper of Smyrna, and headed "Official," which states that the Ministry of Public Works has sent to the Governor-General of this Vilayet a Firman, together with "Cahiers de Charge," granting a monopoly of the "cabotage" of the Gulf of Smyrna, and the coast of Chesmé, outside the gulf, for a term of thirty years, to Yahia Hayati Effendi, a merchant of Smyrna, the Company to be formed by him to be composed exclusively of Ottoman subjects.

This Yahia Effendi was, in 1879, the President of one of the Municipal Circles of Smyrna, but was removed from that post, at the instance of Sir Henry Layard, for having maltreated a person in the temporary employ of this Consulate as manager of the Consular fire-engine. Since then he has been a member of the Administrative Council of the vilayet, and having found favour at the Palace at Constantinople has contrived to obtain the Concession of this monopoly. It has been known here for months past that he was to receive this Concession, which is directly opposed to the right of British subjects to participate in the coasting trade of Turkey on the ground admitted by the Porte. How this conflicting Concession and admission are to be reconciled is not clear. The Governor-General will naturally support the claims of Yahia Effendi, and should he endeavour to suppress the English boats, which for years past have been engaged in conveying goods and passengers in the Gulf of Smyrna, the question, which appeared from your Excellency's despatch to be approaching a settlement, will be opened afresh. There is a rumour that an English Company is negotiating for the purchase of this monopoly, if the difficulties in the way of the transfer can be removed.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 2 in No. 23.

Extract from the "Aidin."

(Officiel.)
(Traduction.)

UNE Concession de trente ans a été accordée à la Société qui sera formé uniquement de membres Ottomans par Yahia Hayati Effendi, notable commerçant de Smyrne, pour le cabotage du Golfe de Smyrne et des rives de Tchesmé. Le Firman Impérial ainsi que les contrats et cahiers de charge ont été expédiés à son Excellence le Gouverneur par le Ministère des Travaux Publics.

Nous félicitons Yahia Effendi de l'initiative qu'il a prise de former dans la ville de Smyrne une Société semblable au Chirketé-Haïrié.

August 27, 1883.

No. 24.

Mr. Wyndham to Earl Granville.—(*Received September* 13.)

(No. 278. Commercial.)

Therapia, September 9, 1883.

My Lord,

I HAVE the honour to transmit herewith to your Lordship copy of a *note verbale* which I have addressed to the Sublime Porte in consequence of the information received from Her Majesty's Consul at Smyrna, and which I reported to your Lordship in my telegram, Commercial, of the 30th ultimo, to the effect that a monopoly of the coasting trade in the Gulf of Smyrna and Chesmé coast had been granted for thirty years to Yahia Effendi.

The note of the 15th August referred to in my *note verbale* is that in which I claim

that British ships may engage in the coasting trade in the Ottoman Empire, and copy of which I did myself the honour to forward to your Lordship in my despatch No 264, Commercial, of the 22nd ultimo.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure in No. 24.

Note Verbale.

HER Majesty's Embassy has the honour to inform the Sublime Porte that it has received a telegram from Her Britannic Majesty's Consul at Smyrna, stating that it has been officially announced there that a monopoly for the coasting trade for the Smyrna Gulf and Chesme coast has been granted for thirty years to Yahia Effendi, and that the Firman and "Cahiers" have been already sent to the Vali by his Excellency the Minister of Public Works. Her Majesty's Embassy, with reference to this information received from Her Majesty's Consul at Smyrna, begs to call the attention of the Sublime Porte to its note of the 15th August last, and to which no reply has as yet been returned.

Therapia, September 3, 1883.

No. 25.

Mr. Wyndham to Earl Granville.—(Received September 13.)

(No. 281. Commercial.)
Therapia, September 5, 1883.

My Lord,

WITH reference to my despatch No. 264, Commercial, of the 22nd ultimo, I have the honour to transmit herewith copies of two despatches which I have received from Mr. Vice-Consul Maling respecting the tug and coasting trade in the Ottoman Empire.

I venture to call your Lordship's attention to the remarks of Mr. Maling, in his second despatch of the 29th August, as to the possibility of English owners of tug-boats being required to take out licences.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 25.

Vice-Consul Maling to Mr. Wyndham.

Dardanelles, August 29, 1883.

Sir,

I BEG to acknowledge the receipt of your despatch of the 17th instant, by which you were kindly pleased to inform me of the steps you had taken and were continuing to take for the assertion of the rights of British vessels to carry on the coasting trade in Turkey.

I have not failed to acquaint the tug-owners of the Dardanelles with the steps taken in the matter, which so deeply concerns them, and for which they express themselves highly grateful to you.

I have, &c.
(Signed) J. F. MALING.

Inclosure 2 in No. 25.

Vice-Consul Maling to Mr. Wyndham.

Dardanelles, August 29, 1883.

Sir,

I HAVE the honour to acknowledge the receipt of your Circular despatch of the 20th instant, informing me that, the Turkish Government having fully admitted the right of its coasting trade to the subjects of any country which has granted it to Ottoman subjects, British subjects may, on the grounds admitted by the Porte, claim to participate in the coasting trade of Turkey on the same footing as natives, and this view of the question taken by Her Majesty's Government you convey to me for my information and guidance in case of need.

The Porte having thus recognized that the Commercial Convention between Great Britain and Turkey is essentially a Treaty of Reciprocity, I hope that the Turkish authorities will see their way, in practice, to a fair application of the principle admitted towards British subjects and natives.

It has, however, been the practice of the Porte to attempt to create, by the grants of Firmans or special licences, privileged Coasting Companies under its own flag. In the opinion of Her Majesty's Government the Ottoman Companies in possession of such Firmans have no right to seek to exclude the British or other flags from working on the lines they trade on under such licences. But the question may arise, from the principle of putting British and Ottoman subjects on an equal footing, whether the former may not be called on to obtain such licences so long as natives are compelled or choose to apply for them. Such Firmans or special permits may, it is true, be obtained without any pecuniary sacrifice worth mentioning, may impose no obligations on the holders, may be, in fact, pure formalities, but if allowed may they not establish a precedent interfering with the freedom of navigation, contrary to the spirit of existing Treaties, and susceptible of being worked on for raising further restrictions really detrimental to British navigation?

I have, &c.
(Signed) J. F. MALING.

No. 26.

Consul Dennis to Earl Granville.—(Received September 14.)

(Telegraphic.)
Smyrna, September 13, 1883.

MONOPOLY coasting trade Smyrna has been put execution to-day [?]. Governor-General prohibits by force British ships to ply. I have remonstrated with his Excellency, who says that the Sultan granted this monopoly to a Turk, expressly excluding foreigners. Governor-General has been ordered to act accordingly. He knows nothing of Reciprocity Treaty. I shall protest energetically.

(Sent to Embassy.)

No. 27.

Earl Granville to Mr. Wyndham.

(No. 161. Commercial.)
Foreign Office, September 17, 1883.

Sir,

I APPROVE the *note verbale* addressed by you to the Porte, a copy of which is inclosed in your despatch No. 278, Commercial, of the 3rd instant, respecting the reported grant to Yahia Effendi of a monopoly of the coasting trade in the Gulf of Smyrna and Chesmé coast.

I am, &c.
(Signed) GRANVILLE.

No. 28.

Earl Granville to the Earl of Dufferin.

(No. 165. Commercial.)
Foreign Office, September 19, 1883.

My Lord,

WITH reference to Mr. Wyndham's despatch No. 278, Commercial, of the 3rd instant, I transmit to your Excellency herewith a copy of a telegram from Her Majesty's Consul at Smyrna (the substance of which has been communicated by him to Her Majesty's Embassy at Constantinople), respecting the action of the Turkish authorities in forcibly preventing British vessels from participating in the coasting trade of Smyrna.*

I have conveyed to Mr. Consul Dennis my approval of the protests addressed by him to the Governor-General on this subject.

I am, &c.
(Signed) GRANVILLE.

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* No. 26.

No. 29.

Mr. Lister to Consul Dennis.

(No. 1. Commercial.)

Foreign Office, September 19, 1883.

Sir,

I AM directed by Earl Granville to convey to you his Lordship's approval of your proceedings, as reported in your telegram of the 13th instant, in protesting against the action of the Governor-General in forcibly prohibiting British vessels from participating in the coasting trade of Smyrna.

I am to add that his Lordship is in communication with the Earl of Dufferin on this subject.

I am, &c.

(Signed) T. V. LISTER.

No. 30.

Mr. Wyndham to Earl Granville.—(Received September 27.)

(No. 304. Commercial.)

Therapia, September 20, 1883.

My Lord,

I HAVE the honour to inclose herewith to your Lordship copies of two despatches from Her Majesty's Consulate at Smyrna, which reached me on the 18th instant, and to report to your Lordship that I am protesting against the action of the Vali at Smyrna in preventing by force British vessels from engaging in the coasting trade.

I have, &c.

(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 30.

Consul Dennis to Mr. Wyndham.

Smyrna, September 13, 1883.

Sir,

WITH reference to my despatch of the 30th ultimo, I have had the honour to-day to forward to your Excellency a telegram in these words:—

"The monopoly of the coasting trade of Smyrna has been put into execution to-day. The Governor-General prevents by force British ships from plying. I have remonstrated with his Excellency, who says that the Sultan has granted this monopoly to a Turk, expressly excluding foreigners. The Governor-General has been ordered to act accordingly. He knows nothing of Reciprocity Treaty. I shall protest energetically. Sent to Foreign Office."

I have the honour further to state that last night the Vali's Secretary called on me to inform me of the fact that the monopoly granted to Yahia Effendi of the "cabotage" of the Gulf of Smyrna would come into operation to-day—the first official information I have received from the konak on the subject. I waited on his Excellency this morning, when he informed me of the extent of the monopoly, which you will learn from the inclosed translation of a letter which he handed to me, written this morning in answer to the inquiries I had made of his Secretary.

The question has become more complicated by the sale, to an English resident merchant, of the two steamers hitherto under the Ottoman flag, which for some months past have been running in opposition to those belonging to the English Company, and by the sale of two vessels by the English Company to the concessionnaire of the monopoly. These transfers were effected yesterday, in view of the monopoly coming into operation to-day. The Vali has placed two guards at the bridge leading to one of the newly-purchased English steamers, now in the port of Smyrna, to prevent access to her; and I am told that he has adopted the same course with regard to the other steamer at Cordelio, so that both vessels are under durance.

In reply to his Excellency's letter, and in consequence of the forcible detention of vessels the property of British subjects, I have felt it my duty to protest, and have the honour to inclose copy of my protest accordingly.

I have, &c.

(Signed) GEO. DENNIS.

Inclosure 2 in No. 30.

Nashid Pasha to Consul Dennis.

(Translation.)

Smyrna, September 13, 1883.

Sir,

YOU have doubtless been made aware, through statements in the official newspaper of this vilayet and in other Government organs, that the privilege of running steamers in the port of Smyrna, and to the neighbouring villages of Cordelio, Karatash, Giustépé, Kaleh, Tchiflik, Kalisman, Vourlah, Karabournou, Lidjia near Chesmé, and Phocæa, has been accorded by Imperial Firman to Yahia Hayati Effendi. Therefore the Company formed by Sadik Bey, in order to facilitate traffic, not being privileged nor possessing an official permission to run steamers, has this day been strictly forbidden to run steamers in future to the above-mentioned places. I have just learnt that the two steamers "Smirne" and "Cordelio" have, under these circumstances, hoisted the English flag, and intend to continue working in the port. The privilege of running steamers between the ports and "scalas," on condition that the Ottoman flag be hoisted, is, as you are aware, in accordance with Treaties, granted only to (Ottoman) subjects. Therefore the carrying of passengers and goods to the said "scalas" by the above-mentioned steamers cannot be permitted; and, as those steamers are not privileged, and have no right, according to law or Treaties, to ply between the said "scalas," I have been obliged to take measures to prevent their doing so, and should the owners insist on running their steamers, I beg to inform you that they will be held responsible for all consequences.

I have, &c.

(L.S.) NASHID.

Inclosure 3 in No. 30.

Consul Dennis to Nashid Pasha.

Smyrna, September 13, 1883.

Excellency,

HAVING received no official intimation from your Excellency of the existence of a Firman granted by the Sublime Porte to an Ottoman subject, Yahia Effendi, empowering him to monopolize the coasting trade within the Gulf of Smyrna, the information I received last night from your Excellency's Secretary that the "cabotage" of the gulf was this day to be closed to all vessels not belonging to or employed by the said Yahia took me rather by surprise. I state this with reference to the letter which your Excellency did me the honour to address to me to-day, in which you credit me with full information on the subject. Your Excellency takes it for granted that I am aware that this privilege of engaging in the coasting trade of Turkey is by law and Treaties confined to Ottoman subjects, and to vessels hoisting the Ottoman flag. I have the honour to assure your Excellency that my information on this point is directly opposed to that with which your Excellency credits me. On the contrary, I have to inform your Excellency that Her Majesty's Government insist on the right of British vessels to share in this trade within the Ottoman Empire on the same footing as native subjects, both on the ground of Treaties and on that of reciprocity, a ground which very recently has been fully admitted as valid by the Ottoman Government, and which entitles British subjects to participate in the "cabotage" of Turkey, from which the Firman you are endeavouring to enforce would exclude them. In view, therefore, of the impediments you are thus raising to British commerce, and which you are imposing on the free action of British vessels by placing armed guards to prevent access to them, I feel it my duty to protest, and I do now formally and solemnly protest, against your Excellency, or whomever else it may concern, for this infraction of Treaties and Conventions, holding you or them responsible for all damages and losses that have been suffered, or may be suffered, by the proprietors of the said ships, or by British commerce, in consequence of the illegal and arbitrary measures you have been pleased to adopt.

I have, &c.

(Signed) GEO. DENNIS.

Inclosure 4 in No. 30.

Vice-Consul Joly to Mr. Wyndham.

Smyrna, September 15, 1883.

Sir,

AT the request of Mr. John Hönisher, purchaser of the two steam-ships, hitherto under the Ottoman flag, mentioned in Mr. Consul Dennis' despatch of the 13th instant, I have the honour to transmit to your Excellency copy of a protest filed by him in this Consulate against the local authorities.

I have, &c.
(For the Consul),
(Signed) STEPHEN JOLY.

Inclosure 5 in No. 30.

Mr. Hönisher to Consul Dennis.

Smyrne, le 1er (13) *Septembre*, 1883.

M. le Consul,

J'AI l'honneur de porter à votre connaissance que se prévalant d'un Firman Impérial, concédant au Sieur Yahia Effendi le monopole du trafic et du service maritime de la rade et du Golfe de Smyrne, et de diverses autres localités énumérées au dit Firman, l'autorité locale vient d'interdire aux deux bâteaux, le "Smirne" et le "Cordelio" dont je suis le propriétaire légitime, l'embarquement des passagers qui se présentent à cet effet tant à l'échelle du village Cordelio qu'à celle de notre port; qu'en vue de rendre efficace la susdite interdiction, l'autorité locale a déployé aux abords des susdites échelles de nombreux gendarmes ou préposés de police munis de leurs armes, dont ils auraient ordre de faire usage envers tous ceux qui transgresseraient la dite interdiction, basée toujours sur le précité monopole.

Attendu que cet état de choses est aussi attentatoire à mes droits résultant du droit international que préjudiciable à mes propres intérêts, je viens par le présent acte protester comme de fait je proteste solennellement contre cette violation manifeste des droits et privilèges qui nous sont acquis et dont il résulte pour moi un grave préjudice pécuniaire dont je rends et continue de rendre responsable l'autorité locale.

Afin qu'elle n'en ignore et tout en réservant de la manière la plus formelle l'exercice de la plénitude de mes droits contre tous ceux qu'il pourrait appartenir, je vous prie, M. le Consul, de bien vouloir à telles fins que de justice, ordonner d'urgence la transmission du présent acte à son Excellence Hadji Nachid Pacha, Gouverneur-Général de ce vilayet, et d'en soumettre copie à la haute appréciation de son Excellence M. le Représentant à Constantinople de Sa Majesté Britannique, afin qu'il lui plaise d'aviser d'urgence à telles mesures que ce grave et si préjudiciable état de choses saura suggérer à sa constante sollicitude pour la défense et la protection des légitimes droits et intérêts Anglais méconnus, contrairement à tous droits, par l'autorité locale, afin que justice me soit faite.

J'ai, &c.
(Signé) JOHN HÖNISHER.

No. 31.

Mr. Wyndham to Earl Granville.—(Received September 27.)

(No. 309. Commercial.)

Therapia, September 22, 1883.

My Lord,

I HAVE the honour to inclose herewith to your Lordship copy of a note which I have received from the Ottoman Minister for Foreign Affairs, in which his Highness maintains the right of the Imperial Government to forbid vessels under foreign flags to engage in the coasting trade in the internal waters of the Ottoman Empire.

With reference to my despatch No. 304, Commercial, of the 20th instant, in which I transmitted to your Lordship copies of two despatches from Her Majesty's Consulate at Smyrna, and in which I informed you that I was protesting against the proceedings of the authorities there, as described in these despatches, I have the honour to report that Aarifi Pasha replied to my protest that he did not consider the orders of the Imperial Government against foreign ships engaging in the coasting trade ("service côtier et de cabotage") in the internal waters of the Empire as in violation of Treaty engagements, but that it was a matter which was still open to discussion.

With regard to the alleged irregular proceedings of the tug-boats under foreign flags to which Aarifi Pasha alludes, I have the honour to inclose copy of a note from the Porte on the subject, and of my reply, in which I pointed out to his Highness that, according to my information, the charges were unfounded.

I have thought it advisable to forward a copy of Aarifi Pasha's note of the 20th instant to Her Majesty's Consul at Smyrna, and I have requested him to furnish your Lordship and Her Majesty's Embassy with any observations upon Aarifi Pasha's statements as to the tug-steamers in question which may occur to him as likely to be of use in discussing this question, and particularly as to how long these boats have been engaged in this trade, and as to whether the coasting service at Smyrna can be compared to that which is carried on in the Bosphorus, and which is, as Aarifi Pasha states, forbidden to vessels under foreign flags.

I have, &c.
(Signed) HUGH WYNDHAM.

Inclosure 1 in No. 31.

Aarifi Pasha to Mr. Wyndham.

Sublime Porte, Ministère des Affaires Etrangères,
le 20 *Septembre*, 1883.

M. le Chargé d'Affaires,

J'AI reçu la note que vous m'avez fait l'honneur de m'adresser le 15 Août dernier, relativement à l'exercice du droit de cabotage et au transport de passagers sur le littoral Ottoman, ainsi que la note verbale de l'Ambassade du 3 Septembre courant, qui se rattache à la même question.

Avant d'aborder l'examen des arguments de la dite note la Sublime Porte croit devoir établir comme principe, ainsi qu'elle l'a déjà exposé dans sa note du 28 Juin, 1883, que les golfes, les baies, les fleuves, les lacs, et les ports doivent être considérés, d'après les règles du droit international, comme entrant sous le domaine direct et immédiat de la Puissance territoriale, dont la juridiction s'étend sur les mers jusqu'à une distance de 3 milles des côtes.

Partant de ce principe, le Gouvernement exerce toujours un droit de haute surveillance sur les bateaux et les navires qui transportent des passagers dans ses eaux intérieures. Un service côtier de ce genre ne peut être qu'assimilé en tout point au service des chemins de fer, de la poste, du télégraphe, dont l'établissement exige l'autorisation préalable de l'Etat et sur lesquels ce dernier est tenu d'exercer un contrôle dans l'intérêt même de la sécurité publique. Ce contrôle deviendrait impossible si tout propriétaire de bâtiment avait la faculté d'effectuer des transports de voyageurs dans les eaux intérieures d'un pays, même sans offrir des garanties de sécurité et d'honnêteté nécessaires, et s'il pouvait ainsi débarquer sur les côtes des gens de toute catégorie sans en prévenir l'autorité ni se soumettre à aucune espèce de réglementation.

La Sublime Porte ne croit pas que l'on puisse raisonnablement invoquer, à l'encontre de ces arguments, le principe de la liberté de la navigation. Cette liberté a toujours été scrupuleusement respectée par le Gouvernement Impérial; mais elle ne peut avoir pour conséquence de soustraire la navigation intérieure à l'action de la police maritime de l'autorité territoriale ni à la haute surveillance qu'elle est tenue d'exercer dans l'intérêt général. Soutenir le contraire équivaudrait à vouloir dépouiller l'Etat d'un des droits essentiels de sa souveraineté.

Quant aux stipulations de l'Article X du Traité Turco-Hellène de 1855 et de l'Article XI du Traité Turco-Belge de 1838, qui sont citées par l'Ambassadeur de Sa Majesté Britannique à l'appui du droit qu'auraient les étrangers d'exercer le cabotage dans les eaux Ottomanes, le Ministère Impérial croit devoir répéter qu'elles ne sauraient trouver leur application dans le cas qui nous occupe. En effet, l'Article X du Traité de 1855 dit: "Qu'il est convenu entre les Hautes Parties Contractantes que le commerce du cabotage consistant en produits indigènes ou étrangers, expédiés d'un port à l'autre des deux États, pourra se faire librement par les navires et les sujets des deux pays respectifs, &c." On voit immédiatement, par le texte de cet Article, qu'il ne s'agit point ici d'un service régulier de transport de voyageurs, mais de l'exercice du commerce consistant dans le transport de produits indigènes et étrangers. On peut en dire autant de l'Article XI du Traité belge, qui est conçu dans des termes analogues.

Il résulte de ce qui précède que ni le droit strict, ni les dispositions des Traités existants ne permettent aux bâtiments étrangers de revendiquer le droit d'organiser sans contrôle et à leur guise des services de transport de voyageurs dans les eaux intérieures de l'Empire. Au contraire, les intérêts majeurs de la sécurité de l'État et du public imposent au Gouvernement Impérial le devoir de surveiller et de soumettre au contrôle de la police maritime la navigation intérieure, et, en outre, de ne permettre l'établissement d'aucun service de cette nature sans en avoir fait, au préalable, l'objet d'une autorisation ou d'une Concession spéciale.

Du reste, il y a longtemps que la Sublime Porte a fait usage de ses droits dans quelques-uns des détroits, golfes, et autres parties du littoral de l'Empire. Depuis de longues années, le service des voyageurs sur le Bosphore est exclusivement confié au "Chirket Hairié" sur la base d'une Concession Gouvernementale, et aucun autre bâtiment, Ottoman ou étranger, ne pourrait revendiquer le droit d'entreprendre le même service sans une autorisation spéciale. Il en est de même pour le service de la Corne d'Or. Les échelles de la Mer de Marmara sont également desservies par les bateaux du "Mahsoussé," et si, de temps à autre, des remorqueurs ou d'autres bateaux se sont livrés au transport de voyageurs à ces échelles ou à d'autres échelles de l'Archipel, cela a toujours eu lieu furtivement et d'une manière abusive. Il y a lieu d'excepter quelques bateaux qui, dans certaines occasions, prennent une autorisation de la Préfecture du Port pour effectuer certains voyages définis, en offrant les garanties voulues et en se soumettant sous tous les rapports aux règlements de police.

Indépendamment des arguments qui précèdent, et dont la valeur ne saurait échapper à l'appréciation éclairée de l'Ambassade de Sa Majesté Britannique, je crois devoir présenter quelques autres considérations qui démontrent encore davantage la nécessité absolue qui s'impose au Gouvernement Impérial de chercher à mettre un terme aux irrégularités qu'il a signalées et aux abus qui en découlent.

Lorsque, tout dernièrement, le choléra a commencé à faire ses ravages en Égypte, le Gouvernement Impérial a consacré et consacre encore toute sa sollicitude à empêcher l'épidémie de pénétrer dans les autres provinces de l'Empire. Or, il a été souvent constaté, à cette occasion, que des navires à voile, des bateaux appartenant à des particuliers et d'autres embarcations ont failli compromettre l'efficacité des précautions adoptées en transportant les habitants des pays contaminés sur les côtes d'un pays sain, et cela à l'insu et en dehors de tout contrôle des autorités sanitaires. Il est très possible que dans des circonstances analogues, des bateaux remorqueurs, tentés par le gain, se livrent aux mêmes agissements, dans le cas où ils seraient en possession, du privilège dont l'Ambassade de Sa Majesté Britannique voudrait les voir investis.

La répression du brigandage, en vue de laquelle le Gouvernement Impérial déploye en ce moment tous ses efforts, est également intéressée à ce que rien ne vienne entraver le contrôle des transports d'individus par voie de mer. Il a été malheureusement constaté que des malfaiteurs et des gens sans aveu, lorsqu'ils étaient poursuivis de près par les autorités, ont pris passage sur les caboteurs et ont été débarqués sur des points déserts de la côte d'où ils pouvaient facilement gagner un lieu de sûreté.

Une autre considération se présente à l'esprit lorsque l'on réfléchit aux conséquences possibles de la transformation improvisée des remorqueurs en bâtiments de transport pour les passagers. Spécialement construits pour le remorquage des navires, ces vapeurs se font inscrire uniquement en cette qualité à la Préfecture du Port. La plupart d'entre eux ne réunissent pas les conditions requises pour assurer la sécurité des passagers contre les accidents de mer, et l'autorité maritime assumerait une grave responsabilité vis-à-vis des populations si elle ne se prémunissait pas contre les dangers qui peuvent résulter de cet état de choses.

Telles sont les considérations que l'étude de la question a suggérées au Gouvernement Impérial. En les recommandant à la bienveillante attention de l'Ambassade de Sa Majesté Britannique, j'ai l'espoir qu'elle voudra bien en apprécier la justesse et être persuadée que les restrictions que le Gouvernement Impérial désire appliquer n'ont aucunement pour objet de gêner la navigation ou délimiter l'exercice des droits acquis aux sujets de Sa Majesté Britannique. Ces mesures n'ont en vue que la suppression de certains abus qui se sont peu à peu introduits dans la pratique du cabotage et dont le maintien serait aussi peu compatible avec le respect des droits de la Sublime Porte qu'avec l'exercice de la police maritime et la sécurité même des voyageurs qui useraient de ces moyens de transport irrégulier et défectueux.

Agréez, &c.
(Signé) A. AARIFI.

Inclosure 2 in No. 31.

Note Verbale.

PAR sa note verbale Circulaire du 28 Avril dernier, le Ministère des Affaires Étrangères avait l'honneur de signaler à l'Ambassadeur de Sa Majesté Britannique le débarquement clandestin de voyageurs suspects opéré par des remorqueurs sous pavillon étranger.

Il résulte de récents avis parvenus à la Sublime Porte que cet état de choses, loin de cesser, ne fait que s'aggraver. En effet, il est démontré aujourd'hui que les remorqueurs vont jusqu'à débarquer des voyageurs suspects sur des points déserts du littoral, et parviennent de la sorte à les soustraire à la surveillance de la police.

Ainsi le remorqueur Anglais "Marie Louise," non content d'avoir, nonobstant les avertissements de l'autorité, accosté à Maorlova (Metélin) a débarqué pendant la nuit des gens sans aveu sur des points inhabités du littoral, notamment au village de Pétra.

En ayant l'honneur de porter ce qui précède à la connaissance de l'Ambassadeur de Sa Majesté Britannique, le Ministère Impérial est persuadé qu'elle voudra bien prescrire aux capitaines des remorqueurs Anglais de ne plus desservir des points autres que les ports fréquentés de l'Empire ni transporter et débarquer des voyageurs suspects.

Le 2 Juin, 1883.

Inclosure 3 in No. 31.

Note Verbale.

ON the 28th April Her Majesty's Embassy had the honour of receiving a note from the Sublime Porte, marked Circular, in which attention was called to the conduct of tugs under foreign flags, the owners of which are alleged to be in the habit of clandestinely landing suspicious characters on various points of the Ottoman coast.

In reply to a note addressed by Her Majesty's Embassy to the Sublime Porte, in which the former had the honour of pointing out that the complaint was of too vague a nature to admit of action being taken with respect to it, the Sublime Porte, on the 2nd June, named the "Marie Louise" as one of the tugs against which this general charge of clandestine conduct had been formulated, and the particular act of which her owner was alleged to have been guilty was that of having recently landed suspicious characters by night on the coast of Mitylene with the object of evading the surveillance of the police.

Her Majesty's Embassy lost no time in causing inquiries to be instituted both at the Dardanelles and at Smyrna with regard to this complaint, and it now has the honour of informing the Porte that the statement of facts which has been elicited by this inquiry does not appear to bear out the accusations preferred against the "Marie Louise."

The "Marie Louise," with six other Dardanelles tugs—two English and four Greek—has for about two years been running between the Dardanelles, Tenedos, Mitylene, various places in the Gulf of Adramyti and Smyrna, and during that period these tugs have carried the local correspondence as well as the mails of the Ottoman Post Office.

In April last the "Marie Louise" made four voyages from the Dardanelles to Mitylene, viz., on the 3rd, 11th, 19th, and 25th (n.s.). On the first three occasions she touched at the Mitylenian port of Molivo and at no other. On the fourth occasion she arrived at Molivo on the 25th April at 2 P.M., wishing to land four passengers belonging to that place, but as permission to do so was refused she steamed on to Petra and there effected her purpose. She met with similar opposition at the port of Mitylene, and therefore proceeded on her voyage to Smyrna.

On her return voyage the "Marie Louise" carried twenty-four passengers, belonging to the class of agricultural labourers, who apparently were all natives of Mitylene. She reached Molivo at 4 P.M. on the 28th April, and as no shore boats were allowed to approach her, she landed four of the passengers in her own boat in broad daylight without meeting with any opposition, and pursued a similar course under similar circumstances with the remainder at Petra.

Her Majesty's Embassy trusts that these explanations will satisfy the Sublime Porte that the owner of the "Marie Louise" has not been guilty of the offence with which he has been charged. All was done in open day, under the eyes of the authorities, and in no case were desert places selected for the disembarkation of the passengers. The "Marie Louise" was simply carrying on that legitimate coasting service trade on which she has

been for the last two years engaged, with the knowledge and apparent approval of the Imperial authorities, until she met with opposition on the part of the authorities of the Island of Mitylene.

(Signed) HUGH WYNDHAM.

Therapia, June 27, 1883.

No. 32.

Mr. Wyndham to Earl Granville.—(Received September 27.)

(No. 312. Commercial.) *Therapia, September 22, 1883.*

My Lord,

WITH reference to my despatch No. 264, Commercial, of the 22nd ultimo, I have the honour to inform your Lordship that Mr. Consul-General Eldridge, in acknowledging the receipt of my Circular in regard to the tug and coasting trade, states that he has never heard of any attempt being made to prevent subjects of foreign Powers from engaging in the coasting trade on the coast of Syria, whether their respective Governments grant reciprocity to Ottoman subjects or not.

I have, &c.

(Signed) HUGH WYNDHAM.

No. 33.

Earl Granville to the Earl of Dufferin.

(No. 176. Commercial.) *Foreign Office, October 2, 1883.*

My Lord,

I APPROVE the *note verbale* addressed by Mr. Wyndham to the Porte on the 27th June last, a copy of which is inclosed in his despatch No. 309, Commercial, of the 22nd ultimo, with respect to the alleged irregular proceedings of the "Marie Louise" and other tug-boats engaged under foreign flags in the coasting trade in the internal waters of the Ottoman Empire.

I also approve his proceedings in forwarding a copy of Aarifi Pasha's note of the 20th September to Her Majesty's Consul at Smyrna for such observations on the subject as the latter may have to furnish to this Office and to Her Majesty's Embassy.

I have to request that your Excellency will continue to remonstrate with the Porte against the obstacles interposed in the way of British vessels engaged in the coasting trade at Smyrna.

I am, &c.

(Signed) GRANVILLE.

No. 34.

Earl Granville to the Earl of Dufferin.

(No. 177. Commercial.) *Foreign Office, October 2, 1883.*

My Lord,

I APPROVE Mr. Wyndham's proceedings, as reported in his despatch No. 304, Commercial, dated the 20th ultimo, in protesting against the action of the Vali at Smyrna in preventing by force British vessels from engaging in the coasting trade.

I am, &c.

(Signed) GRANVILLE.

No. 35.

Consul Dennis to Earl Granville.—(Received October 15.)

(No. 11. Commercial.) *Smyrna, October 4, 1883.*

My Lord,

IN obedience to instructions received from Mr. Chargé d'Affaires Wyndham, in his despatch of the 22nd ultimo, inclosing a note from Aarifi Pasha, Ottoman Minister for Foreign Affairs, the object of which was to prove that the passenger traffic in the internal

waters of the Ottoman Empire should be subjected to the direct and exclusive jurisdiction of the Sublime Porte, and asking me for my observations I might have to offer on his Excellency's remarks on the subject of the tug-boats in question, which he ordered me to forward to the Foreign Office as well as to the Embassy, I have the honour to submit to your Lordship the following remarks:—

As his Excellency Aarifi Pasha admits the obligation of the Porte under existing Treaties to allow vessels under the British flag to participate in her coasting trade as regards merchandize, though he disputes it as respects passengers, I have to limit my observations to the arguments adduced by him for depriving the tugs and other small steamers which have hitherto plied for passengers as well as goods in the inland waters of Turkey, and notably in the Gulf of Smyrna, of the privilege which they have enjoyed without interruption for many years.

Starting from the position that the Sovereign Ruler of every State has the indefeasible right to exercise a direct control over the passenger traffic in its internal waters, his Excellency Aarifi Pasha claims that such control cannot be effective unless assimilated in every respect to the railway, postal, and telegraphic services of the State, and gives it as his opinion that great irregularities and abuses are likely to result if the vessels engaged in the internal traffic are withdrawn from the direct superintendence and control of the State, which control is rendered impossible, he thinks, if any ship-master is at liberty to transport passengers from one port of the coast to another without giving guarantees for their safe conveyance, and for the character of such passengers as good and honest citizens. This objection, if substantial, though it does not apply solely to the passenger traffic in the internal waters of the Empire, might easily be overcome if the Porte, in concert with the Ambassadors, were to place all foreign vessels engaged in the coasting trade under certain regulations, which they would be bound to observe, being subject to the control of the maritime police, a preventive control, however, which should be confined to the land and not extend to boarding the vessels in question. The interests of the State, as well as of the public, which, according to Aarifi Pasha, are jeopardized under existing conditions, would be safeguarded by such a system. That some such restrictive measures could be brought into operation without difficulty, Aarifi Pasha himself is a witness when he states that on certain occasions foreign steam-vessels, having given the guarantees demanded, and submitting to the regulations of the maritime police, have been allowed to convey passengers to the ports of the Archipelago and of the Sea of Marmora.

One of "the irregularities and abuses" specified by the Minister for Foreign Affairs, and condemned by him as one absolutely incumbent on the Imperial Government to suppress, is that the cholera or any other epidemic runs a great risk of being introduced into the Empire by "sailing-vessels, boats belonging to private individuals, or other craft," frustrating all the sanitary precautions taken by the authorities, by conveying persons from infected lands to others free from contagion, without the knowledge or the control of the sanitary authorities, and he suggests that "it is very possible that in similar circumstances tug-boats, tempted by gain, might do the same thing, were they in possession of the privilege claimed for them by the British Ambassador."

Aarifi Pasha states that it has been ascertained that such irregularities have often been committed by sailing-vessels and other craft, but he does not impute them to steamboats under the British flag, save hypothetically, and as a possible contingency to be provided against. In all such cases it is in the power of every State to take such precautionary measures as it thinks necessary to preserve its shores from contagion, and if it fail to do so, it is alone to blame; for if its authorities cannot prevent vessels from carrying contagion from one port to another in its own territory, its sanitary arrangements must be defective.

An equally feeble argument urged by the Ottoman Foreign Minister as a reason why a participation in the coasting trade should be denied to foreigners is the possibility that brigands may avail themselves of the convenience these coasting-vessels afford them of easy transport from one part of the coast to another. His Excellency adds, "It has been unhappily proved that brigands escaping the pursuit of the authorities have taken passage in such vessels, and have been landed on desert parts of the coast. In a land like Asia Minor, where almost every traveller is armed, it is not always possible for the master of a passenger-vessel, be he foreigner or native, to distinguish between a rogue and a true man, and thus it may occasionally happen that a British ship-master may unconsciously render such assistance to brigands. His Excellency, however, though he does not specify the instance, or even the flag which thus aided the escape of criminals from justice, speaks of the fact as well known. Never having heard of any well-authenticated instance of this sort, I must venture to question the correctness of his Excellency's information. I know that a statement to this effect has been officially made to the Porte by Kemal Bey, the

Mutessarif of Mitylene. When the British steam-boat "Marie Louise" was suddenly prohibited by his orders from landing her passengers at Molivo, and consequently set them ashore at Petra, the nearest point of the island to their destination, his Excellency, in the exercise of the poetical faculty with which he is so highly gifted, was pleased to represent this act as the clandestine landing of malefactors and brigands at uninhabited spots, known only as the landing-places of brigands in former times, and he actually threatened to treat all vessels as pirates which he found engaged in the coasting trade without being able to produce the special sanction of the Turkish authorities. The irregularity complained of was one of his own creating, as shown in my despatch to the Embassy of the 21st June, 1883. Surely if suspicious characters take passage on board coasting-vessels, it rests with the police at the port of shipment or of landing to take advantage of the circumstance, and if they do their duty, such characters will soon learn to eschew a coasting-vessel as a rat dreads a trap.

The foregoing arguments, however, do not apply to vessels engaged in the internal waters of the country, but to those which touch at various ports along the coast and in the islands, and their natural tendency is to exclude not merely small steamers and tug-boats engaged in the coasting trade, but the large liners also of the French, Austrian, Italian, and Russian Companies, from conveying passengers from one port to another of the Ottoman dominions. Such views, if carried to their logical extent, would completely cripple commerce on the shores and islands of Asia Minor.

Aarifi Pasha proceeds to adduce the dangerous consequences of the sudden conversion of vessels constructed for towing into boats for the conveyance of passengers, for which his Excellency pronounces them to be quite unsuitable; for, in his opinion, the greater part of tug-boats are not safe sea-boats. But I believe I am justified in saying that steam-tugs are required to be more strongly built and to have more power than ordinary passenger-boats. Certainly, as regards the boats of this class hitherto engaged in the passenger traffic in the Gulf of Smyrna, it so happens that those constructed for towing are larger and more powerful than the rest, quite as safe, and more comfortable for passengers, seeing that they are worked by paddles instead of by the screw.

Under the circumstances above stated, I feel justified in pronouncing that the irregularities and abuses which Aarifi Pasha cites as attaching to the passenger traffic under foreign flags, but of which he prudently forbears to specify a single example, are in great measure the creations of his imagination. The English passenger-boats now in the port of Smyrna have been running uninterruptedly for the last six years, without the occurrence of a single accident, or of any collision with the authorities, until the recent attempt to drive them from the port by the rivalry of a Turkish Company, supported by the local authorities, and until the monopoly conceded to Yahia Effendi was brought into operation.

All the "considerations" which Aarifi Pasha urges against the danger of leaving the passenger traffic in the hands of foreigners are really brought forward to advocate the system of monopolies, which would exclude all vessels, whether foreign or native, which do not enjoy an exclusive privilege, from engaging in that traffic within the Ottoman dominions; and his Excellency refers to the monopoly granted long ago of the passenger traffic on the Bosphorus, as an example to be followed throughout the internal waters of Turkey. But the Bosphorus, in various respects, stands on an exceptional footing, as the high road to the metropolis, from that side, too, from which most danger is to be apprehended. If I am correctly informed, the passenger traffic on the Bosphorus before the Crimean War was carried on by a few small steamers under foreign flags, but which, at that period, for political reasons, were transferred to the Ottoman flag, the foreign proprietors being bought out by a native Company, composed chiefly of officials acting under the special sanction and encouragement of the Porte; and thus the Bosphorus passenger traffic became a monopoly in Turkish hands, and has remained so ever since, although not recognized as such as of right, but only tolerated by the Embassies and Legations. On this point I have no official information, and am, therefore, open to correction.* But I am credibly informed that a year or two ago Mr. Allt, Director of the Ismid Railway, brought a steamer from England with the object of conveying passengers to and from the station of Haidar Pasha, but was not able to carry out his intention, being prevented not on the ground of interfering with the monopoly conceded to the Chirkit-i-Hairié, but indirectly, by not being allowed to take or land passengers at the bridge over the Golden Horn, or otherwise than in "caïques."

But if the monopoly on the Bosphorus has for many years been the exception,

* On consulting Hertslet's Treaties, vol. xii, index, "Coasting Trade," I find mention of a "Report. Coasting trade open, except to foreign steam passenger-boats from Bosphorus. April 1854;" and a note appended states that this Report will be given in a subsequent volume. But I can find no mention of it in vols. xiii or xiv.

freedom of traffic for goods and passengers in the internal waters of the Empire has hitherto been the rule. Such traffic in small steamers in the Gulf of Smyrna was commenced thirteen years ago under the Greek flag, and has since been carried on without interruption under various flags, chiefly English; but the Company which until very recently has had this traffic almost entirely in its own hands is that of Messrs. Joly, Victor, and Co., who have a fleet of eight boats. These run at short intervals throughout the day to Cordelio and Ghiuztépé within the port of Smyrna; daily also to Vourlah in the gulf; twice a-week to Scio and Chesmé; and once a-week to Phokea, Mitylene, Aivali, Samos, and Scala Nuova, all at very moderate fares, and therefore greatly to the convenience of the public.

The object Aarifi Pasha has in view in his special pleadings in favour of the monopoly of the passenger traffic is not very obscure. Public opinion, at least in Smyrna, pronounces itself to this effect. In its present impecunious circumstances, the Imperial Government, finding it can obtain valuable consideration for such Concessions as that granted to Yahia Effendi, is anxious to avail itself to the utmost of this means of enriching its coffers. If this view be correct, it will explain why the Foreign Minister scrapes together all possibly contingent abuses, and arrays them as arguments in support of the system it is his duty to uphold. However this may be, it cannot be doubted that not British interests alone, but those of the public at large in this part of the Ottoman dominions, will suffer severely from the introduction of such monopolies, especially when placed in Turkish hands. The irregularity, carelessness, and indolence which generally characterize Ottoman officials are notorious, of which I have recently had glaring proofs in the Turkish Telegraphic Department.

I have, &c.
(Signed) GEO. DENNIS.

No. 36.

The Earl of Dufferin to Earl Granville.—(*Received October* 24.)

(No. 329. Commercial.)
My Lord, *Therapia, October* 17, 1883.

WITH reference to Mr. Wyndham's despatch No. 309, Commercial, of the 22nd ultimo, in which he transmitted to your Lordship a copy of a note from the Ottoman Minister for Foreign Affairs, maintaining the right of the Sublime Porte to forbid vessels under foreign flags to engage in the coasting trade in the internal waters of the Ottoman Empire, and also to Mr. Consul Dennis' despatch No. 45 of the 4th instant, of which he has forwarded a copy to you, I have the honour to state that it appears to me advisable not to address a further note to the Porte on this question until I receive your Lordship's opinion, which I venture to solicit, on the interpretation which Aarifi Pasha places on the Articles of the Treaties which have been invoked in favour of the right claimed by Her Majesty's Government.

I have, &c.
(Signed) DUFFERIN.

No. 37.

Memorandum by Sir E. Hertslet on Consul Dennis' No. 11, *Commercial, October* 4, 1883.

IN the index to vol. xii of "Hertslet's Treaties" I inserted under the heading of "Coasting Trade" a note to the effect that the coasting trade of Turkey was thrown open, except to foreign steam passenger-boats from the Bosphorus; and I made that statement on the faith of Lord Stratford de Redcliffe's despatch No. 144 of the 4th April, 1854.

It is true, as stated by Consul Dennis, that I appended a note saying that the "Report" would be given in a subsequent volume, but as it has not appeared I can only suppose that on reflection I did not think it necessary to give an extract from the despatch from Lord Stratford above alluded to, as it really gave no more information than that which I had already given in the index. Had it been a Report from the Turkish Government I should no doubt have given it, but it was only Lord Stratford's Report of a well-known fact.

As Consul Dennis alludes to the coasting trade on the Bosphorus, he might like to

see my Memorandum of the 28th November, 1872 (No. 2575), should there appear to be no objection to his doing so.

E. H.

Foreign Office, October 25, 1883.

Annex.

Viscount Stratford de Redcliffe to the Earl of Clarendon.

(No. 144.) *Constantinople, April* 4, 1854.

My Lord,

I HAVE had the honour to receive your Lordship's printed Circular of the 13th March, respecting the introduction into Parliament of a Bill for opening the coasting trade to the ships of all nations.

As Her Majesty's subjects are in full enjoyment of the coasting trade in Turkey, there is nothing to be obtained by communicating your Lordship's despatch to the Ottoman Government. The single exception to the liberal practice prevailing in this country is the exclusion of foreign steam passage-boats from the Bosphorus; and it is possible that, if the free navigation of the Thames by foreign passage-boats were a part of the intended measure now before Parliament, the Porte might be induced to reconsider its existing Regulations here.

I have, &c.

(Signed) STRATFORD DE REDCLIFFE.

No. 38.

Memorandum by Sir E. Hertslet on the Earl of Dufferin's No. 329, *Commercial, of October* 17, 1883.

LORD DUFFERIN solicits Lord Granville's opinion on the interpretation which Aarifi Pasha places on the Articles of the Treaties which have been invoked in favour of the right claimed by Her Majesty's Government for British vessels to engage in the coasting trade in the internal waters of the Ottoman Empire.

The Articles to which Aarifi Pasha alludes are Article X of the Treaty between Turkey and Greece of the 27th May, 1855, and Article XI of the Treaty between Turkey and Belgium of the 3rd August, 1838.

Aarifi Pasha says that those Articles had sole reference to the transport of "produits indigènes et étrangers," and did not extend to the transport of "voyageurs dans les eaux intérieures;" but he only quotes a portion of one of them, and disposes of the other by saying that it is "conçu dans des termes analogues;" but (as pointed out in my Memorandum of the 16th July last, No. 4793) the Turco-Greek Treaty of 1855 says their respective vessels and subjects shall be bound "de se soumettre aux mêmes *obligations* et d'acquitter les mêmes droits auxquels sont assujettis les navires les plus favorisés, soit *nationaux*, soit étrangers;" whilst the Turco-Belgian Treaty of 1838 actually makes mention of "le commerce *intérieur*." It says, "Il (le commerce côtier) sera assimilé aux règlements pour le commerce *intérieur*, appliqués de part et d'autre aux sujets des Puissances amies les plus favorisées."

It is true that no mention is made in either Treaty of the right of Greek or Belgian vessels to carry passengers, but in the Greek Treaty Greek vessels engaged in the Turkish coasting trade are put upon the same footing as Turkish vessels; and in the Belgian Treaty it is expressly stated that Belgian vessels engaged in the coasting trade are subjected to the same Regulations as are established for "le commerce *intérieur*."

British vessels would therefore appear to be entitled, under these Treaties, to engage in the Turkish coasting trade on the same footing as natives, as well as to carry on the coasting trade in the internal waters of Turkey on the same footing as natives. Still, no mention is made of the carriage of passengers, and the true interpretation of the wording of the Articles is therefore open to doubt; but it is a remarkable fact that, although Aarifi Pasha has quoted from the above Treaties in two recent notes, he has never given a complete quotation, but has contented himself with quoting from only so much of the Article of one of them as has suited his argument, and has then remarked that an Article in the other Treaty is analogous.

But, apart from the question of Treaty right, the British ship-masters at Constantinople maintained, in 1852* (more than thirty years ago), that they had acquired the right

* See Memorandum No. 2575.

to trade and carry passengers in Turkish waters by *prescription*, inasmuch as, for many years previously, foreign flags had, without molestation, run steamers between Trebizond, Smyrna, &c.; and Colonel Rose, who was then Her Majesty's Chargé d'Affaires at Constantinople, entirely concurred in that view. It is true that the Turkish Government at that time denied the right of British subjects to transport *passengers* from one Turkish port to another; but it is equally true that the British Government maintained that Article XLI of the English Capitulations gave British subjects that right.

As Aarifi Pasha alludes to the Bosphorus and the Sea of Marmora, it may be mentioned that, in 1853, the Porte admitted that British vessels had a right to carry passengers from one Turkish port to another in the *Danube*, the Sea of *Marmora*, and the *Dardanelles*, although it maintained that they had no such right in the *Bosphorus*, inasmuch as the Bosphorus formed one Turkish port. (See Memorandum of the 28th November, 1872, No. 2575.)

It would, I think, appear from this that the Porte have clearly admitted the right of British vessels to carry passengers not only from one Turkish seaport to another Turkish seaport, but that, by mentioning the Danube, they have admitted their right to carry on the coasting trade in goods and passengers in the internal waters of the Ottoman Empire (the Bosphorus alone being excepted). In fact, the Law Officers reported, on the 14th December, 1872, that, in their opinion, Her Majesty's Ambassador at Constantinople might be instructed to insist upon the right of British ships to the coasting trade within the Ottoman dominions, as regarded both goods and passengers, in virtue of the Turco-Belgian Treaty of 1838, the Turco-Greek Treaty of 1855, and the English Treaty of 1861 (the Bosphorus alone excepted).

Still, I think there is much force in Consul Dennis' remarks that the Sovereign Ruler of every State has the indefeasible right of exercising a direct control over the passenger traffic in its internal waters, and that a remedy for the unsatisfactory state of things of which the Porte complains could be found in the promulgation of Regulations drawn up by the Porte, in concert with the Ambassadors, placing *all* foreign vessels engaged in the coasting trade under certain Rules which they should be bound to observe, and rendering them liable to the control of the maritime police *on land*.

If this could be carried out, I think it would be a satisfactory settlement of the question.

(Signed) E. HERTSLET.

Richmond, October 28, 1883.

No. 39.

Earl Granville to the Earl of Dufferin.

(A.)

(No. 204. Commercial.)

My Lord, *Foreign Office, November* 21, 1883.

HER Majesty's Government have had under their consideration your Excellency's despatch No. 329, Commercial, of the 17th ultimo, wherein, with reference to Mr. Wyndham's despatch No. 309, Commercial, of the 22nd September, and to my reply No. 176, Commercial, of the 22nd ultimo, you state that, before addressing a further note to the Porte respecting their right, as maintained by Aarifi Pasha, to forbid vessels under foreign flags to engage in the internal trade of the Ottoman Empire, you desire to be furnished with an expression of opinion on the interpretation which Aarifi Pasha places on the Articles of the Treaties which have been invoked in favour of the right claimed by Her Majesty's Government.

Her Majesty's Government gather from the correspondence on this subject that the Articles to which Aarifi Pasha alludes are Article X of the Treaty between Turkey and Greece of the 27th May, 1855, and Article XI of the Treaty between Turkey and Belgium of the 3rd April, 1838; and that his Excellency understands those Articles as having sole reference to the transport of "produits indigènes et étrangers," and not as extending to the transport of "voyageurs dans les eaux intérieures." It is, however, to be noted that his Excellency only quotes a portion of one of those Articles, and disposes of the other by saying that it is "conçu dans des termes analogues;" whereas, the Turco-Greek Treaty of 1855 says that their respective vessels and subjects shall be bound "de se soumettre aux mêmes obligations et d'acquitter les mêmes droits auxquels sont assujettis les navires les plus favorisés, soit nationaux, soit étrangers;" whilst the Turco-Belgian Treaty of 1838 actually makes mention of "le commerce intérieur." It says: "Il (le commerce

côtier) sera assimilé aux règlements pour le commerce intérieur appliqués de part et d'autre aux sujets des Puissances amies les plus favorisées."

It is true that no mention is made in either Treaty of the right of Greek or Belgian vessels to carry passengers; but in the Greek Treaty Greek vessels engaged in the Turkish coasting trade are put upon the same footing as Turkish vessels; and in the Belgian Treaty it is expressly stated that Belgian vessels engaged in the coasting trade are subjected to the same Regulations as are established for "le commerce intérieur."

Apart, moreover, from the question of Treaty, it is to be remembered that the British ship-masters at Constantinople maintained in 1852 that they had acquired the right to trade and carry passengers in Turkish waters by prescription, inasmuch as, for many years previously, foreign flags had, without molestation, run steamers between Trebizond, Smyrna, &c.; and Colonel Rose, who was then Her Majesty's Chargé d'Affaires at Constantinople, entirely concurred in that view. It is true that the Turkish Government at the time denied the right of British subjects to transport passengers from one Turkish port to another; but it is equally true that the British Government maintained that Article XLI of the English Capitulations gave British subjects that right.

As Aarifi Pasha alludes to the Bosphorus and the Sea of Marmora, it should be borne in mind that in 1853 the Porte admitted that British vessels had a right to carry passengers from one Turkish port to another in the Danube, the Sea of Marmora, and the Dardanelles, although it maintained that they had no such right in the Bosphorus, inasmuch as the Bosphorus formed one Turkish port.

From the foregoing statements it would appear that the Porte has clearly admitted the right of British vessels to carry passengers not only from one Turkish seaport to another Turkish seaport, but that, by mentioning the Danube, it has admitted their right to carry on the coasting trade in goods and passengers in the internal waters of the Ottoman Empire (the Bosphorus alone being excepted); and I have accordingly to request that in again addressing Aarifi Pasha on the subject your Excellency will insist, for the above-mentioned reasons, on these rights on behalf of Her Majesty's Government.

I am, &c.
(Signed) GRANVILLE.

No. 40.

Earl Granville to the Earl of Dufferin.

(B.)
(No. 205. Commercial. Confidential.)
My Lord, *Foreign Office, November* 21, 1883.

WITH reference to my preceding despatch No. 204, Commercial, of this day's date, I have to acquaint your Excellency that I have had under my consideration Mr. Consul Dennis' despatch No. 11, Commercial, dated the 4th ultimo, of which he will doubtless have communicated a copy to Her Majesty's Embassy, respecting the question of passenger traffic on the internal waters of Turkey.

I have to observe that there is much force in Mr. Dennis' remarks to the effect that the Sovereign Ruler of every State has the indefensible right of exercising a direct control over the passenger traffic in its internal waters, and that a remedy for the unsatisfactory state of things of which the Porte complains could be found in the promulgation of Regulations drawn up by the Porte in concert with the Representatives of foreign Powers, placing all foreign vessels engaged in the coasting trade under certain rules which they should be bound to observe, and rendering them liable to the control of the maritime police on land.

If this arrangement could be carried out there is reason to believe that it would be a satisfactory settlement of the question.

I am, &c.
(Signed) GRANVILLE.

No. 41.

Sir J. Pauncefote to Consul Dennis.

(No. 2. Commercial. Confidential.)
Sir, *Foreign Office, November* 21, 1883.

EARL GRANVILLE has had under his consideration your despatch No. 11, Commercial, dated the 4th ultimo, respecting the question of passenger traffic on the internal waters of Turkey, and I am now directed by his Lordship to acquaint you that while instructing Her Majesty's Ambassador at Constantinople to insist, on the part of Her Majesty's Government, on the right of British vessels, both by Treaty and prescription, to carry on the coasting trade in those waters both in goods and passengers (the Bosphorus alone excepted), Lord Granville has pointed out to Lord Dufferin that there is much force in your remarks to the effect that the Sovereign Ruler of every State has the indefeasible right of exercising a direct control over the passenger traffic in its internal waters, and that a remedy for the unsatisfactory state of things of which the Porte complains could be found in the promulgation of Regulations drawn up by the Porte, in concert with the Representatives of foreign Powers, placing all foreign vessels engaged in the coasting trade under certain rules, which they should be bound to observe, and rendering them liable to the control of the maritime police on land.

If this arrangement could be carried out, Lord Granville has reason to believe that it would be a satisfactory settlement of the question.

With regard to the note at the foot of your despatch concerning the mention of the coasting trade question in vol. xii of "Hertslet's Treaties," Lord Granville has referred this point to Sir E. Hertslet, who observes that in the index to the above volume he inserted, under the heading of "Coasting Trade," a note to the effect that the coasting trade of Turkey was thrown open, except to foreign steam passenger-boats from the Bosphorus, and that he made that statement on the faith of Lord Stratford de Redcliffe's despatch No. 144 of the 4th April, 1854.

Sir E. Hertslet adds that it is true, as stated by you, that he appended a note saying that the Report would be given in a subsequent volume, but that on subsequent reflection it did not appear necessary to give an extract from Lord Stratford de Redcliffe's despatch above alluded to, as it really gave no more information than was already contained in the index.

For your further information respecting the coasting trade on the Bosphorus, I am to transmit to you a copy of a Memorandum by Sir E. Hertslet, dated the 28th November, 1872.*

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

No. 42.

The Earl of Dufferin to Earl Granville.—(Received December 19.)

(No. 357. Commercial.)
My Lord, *Constantinople, December* 13, 1883.

I HAVE the honour to transmit herewith to your Lordship a copy of the note which, in compliance with the instructions contained in your Lordship's despatch No. 204, Commercial, of the 23rd November, I have addressed to the Ottoman Minister for Foreign Affairs respecting the right of vessels under foreign flags to engage in the internal trade of the Ottoman Empire.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 42.

The Earl of Dufferin to Aarifi Pasha.

M. le Ministre, *Constantinople, December* 8, 1883.

ON the 20th September last your Highness was good enough to address a note to Her Majesty's Chargé d'Affaires, setting forth the arguments upon which the Sublime Porte bases the right of the Government to forbid vessels under foreign flags to engage in the internal trade of the Ottoman Empire.

* Not printed.

A copy of your Highness' note was forwarded by Mr. Wyndham to Earl Granville, and I have now received a despatch from his Lordship communicating the views which Her Majesty's Government entertain as regards the interpretation placed by your Highness on the Articles of the Treaties which have been quoted as bearing upon the subject.

In this despatch Earl Granville observes that, from the correspondence which has passed, Her Majesty's Government gather that the Articles to which your Highness alludes in the above-mentioned note are Article X of the Treaty between Turkey and Greece of the 27th May, 1855, and Article XI of the Treaty between Turkey and Belgium of the 3rd August, 1838, and that your Highness understands those Articles as having sole reference to the transport of "produits indigènes et étrangers," and not as extending to the transport of "voyageurs dans les eaux intérieures." His Lordship points out also that your Highness only quotes a portion of one of these Articles, and that you dispose of the other by saying that it is "conçu dans les termes analogues;" whereas the Turco-Greek Treaty of 1855 says that the respective vessels and subjects of the two countries shall be bound "de se soumettre aux mêmes obligations et d'acquitter les mêmes droits auxquels sont assujettis les navires les plus favorisés, soit nationaux soit étrangers;" whilst the Turco-Belgian Treaty of 1838 actually makes mention of "le commerce intérieur." It says: "Il (le commerce côtier) sera assimilé aux règlements pour le commerce intérieur appliqués de part et d'autre aux sujets des Puissances amies les plus favorisées."

Earl Granville is aware that no mention is made in either Treaty of the rights of Greek or Belgian vessels to carry passengers, but in the Greek Treaty Greek vessels engaged in the Turkish coasting trade are put upon the same footing as Turkish vessels, and in the Belgian Treaty it is expressly stated that Belgian vessels engaged in the coasting trade are subjected to the same regulations as are established for "le commerce intérieur."

Apart, moreover, from the question of Treaty, Her Majesty's Government contend that the following considerations must be borne in mind:—

In 1852 the British ship-masters at Constantinople maintained that they had acquired the right to trade and carry passengers in Turkish waters by prescription, inasmuch as for many years previously foreign flags had, without molestation, run steamers between Trebizond, Smyrna, &c. Her Majesty's Embassy entirely concurred in this view; and though at the time the Ottoman Government denied the right of British subjects to transport passengers from one Turkish port to another, the British Government have invariably maintained that Article XLI of the English Capitulations conferred that right upon them.

As regards the observations made by your Highness respecting the Bosphorus and the Sea of Marmora, Earl Granville points out that in 1853 the Sublime Porte admitted that British vessels had a right to carry passengers from one Turkish port to another in the Danube, the Sea of Marmora, and the Dardanelles, although it maintained that they had no such right in the Bosphorus, inasmuch as it formed one Turkish port. As, therefore, from the foregoing statements, it is clear not only that the Sublime Porte has admitted the right of British vessels to carry passengers from one Turkish sea-port to another Turkish sea-port, but that, as in reference to the Danube, it has also admitted their right to carry on the coasting trade in goods and passengers in the internal waters of the Empire (the Bosphorus alone excepted), Her Majesty's Government must insist, for the foregoing reasons, upon the right of British vessels to engage, with the above exception, in the internal trade of the Ottoman Empire.

In laying these conclusions before your Highness, I am directed to add that Her Majesty's Government cordially recognize the justice of your Highness' remarks to the effect that the Sovereign Ruler of every State has the indefeasible right of exercising a direct control over the passenger traffic in its internal waters. They would accordingly suggest that a remedy for the unsatisfactory state of things of which the Sublime Porte complains could be found in the promulgation of Regulations drawn up by the Sublime Porte, in concert with the Representatives of foreign Powers, placing all foreign vessels engaged in the coasting trade under certain rules, which they should be bound to observe, and rendering them liable to the control of the maritime police on land.

Her Majesty's Government would be very glad to receive your Highness' opinion as to the practicability of such an arrangement, which they have every reason to believe would lead to a satisfactory settlement of the question.

I avail, &c.
(Signed) DUFFERIN.

No. 43.

Earl Granville to the Earl of Dufferin.

(No. 231. Commercial.)
My Lord, *Foreign Office, December 24, 1883.*

HER Majesty's Government approve the note addressed by you to the Porte, a copy of which is inclosed in your Excellency's despatch No. 357, Commercial, of the 13th instant, respecting the right of vessels under foreign flags to engage in the internal trade of the Ottoman Empire.

I am, &c.
(Signed) GRANVILLE.

No. 44.

The Earl of Dufferin to Earl Granville.—(Received March 3.)

(Commercial.)
(Telegraphic.) *Constantinople, March 2, 1884, 11·30 P.M.*

VESSELS flying British flag, and plying between Smyrna and ports in Bay of Smyrna and neighbourhood, have been attacked.

Police of Smyrna have forcibly removed pontoons and gangways to which those steamers were moored, and cut moorings of another flying flag.

Nine steamers in port flying British flag prevented plying. This violence more reprehensible since Porte has not replied to our last note in my despatch No. 357 of the 13th December last. The question too grave for me to act, except under instructions. Minister for Foreign Affairs ill, but I will see him to-morrow.

No. 45.

Earl Granville to the Earl of Dufferin.

(Commercial.)
(Telegraphic.) *Foreign Office, March 3, 1884, 1·15 P.M.*

I HAVE received your telegram of yesterday with great surprise and concern.

If any of the ships are *bond fide* British, demand instant reversal of what has been done. I will send further instructions.

No. 46.

The Earl of Dufferin to Earl Granville.—(Received March 4.)

(Commercial.)
(Telegraphic.) *Constantinople, March 4, 1884, 1·15 P.M.*

MY telegram of the 2nd instant.

Porte has telegraphed to Vali for report of recent incident, and has instructed him to abstain from all further interference with our ships, as question is pending between two Governments.

No. 47.

The Earl of Dufferin to Earl Granville.—(Received March 5.)

(No. 36. Commercial.)
My Lord, *Constantinople, February 25, 1884.*

I HAVE the honour to transmit herewith to your Lordship a despatch from Dr. Dickson announcing that a private Company having obtained the monopoly of the coasting traffic in the Gulf of Smyrna, the Governor-General of that vilayet has desired the Director of the Smyrna Health Department to refuse to issue bills of health to any vessel trafficking within that gulf which does not belong to the above Company.

Dr. Dickson states that the International Board of Health, to whom the question was referred, has refused to assent to this demand, and adds that it has also declined to

entertain a similar application made by the Admiralty at Constantinople with respect to ships under foreign flags carrying on the coasting trade in the neighbourhood of the capital.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 47.

Dr. Dickson to the Earl of Dufferin.

Constantinople, February 20, 1884.

My Lord,

I HAVE the honour to announce to your Excellency that Envery Effendi, the Director of the Health Department at Smyrna, has informed the Board of Health that a private Company having obtained from the Government the monopoly of the coasting traffic in the Gulf of Smyrna, the Governor-General of Smyrna had desired him to refuse granting a bill of health to any vessel trafficking within that gulf which did not belong to that Company.

Envery Effendi having referred the matter to Constantinople, the Board of Health has refused its assent to the desire of the Vali of Smyrna.

At the same time that this communication came from Smyrna, the Admiralty in Constantinople requested the Board not to grant a bill of health to any ship under a foreign flag carrying on the coasting trade in the neighbourhood of the capital.

The Board has replied to the Admiralty that it could not, by its Regulations, refuse a bill of health to any vessel whatsoever that asked for it.

I have, &c.
(Signed) E. D. DICKSON.

No. 48.

The Earl of Dufferin to Earl Granville.—(*Received March* 5.)

(No. 37. Commercial.)

Constantinople, March 1, 1884.

My Lord,

WITH reference to my despatch No. 36, Commercial, of the 25th ultimo, in which I informed your Lordship that a private Company had obtained a monopoly of the coasting trade in the Gulf of Smyrna, and that the Governor-General of that town had requested the sanitary authorities to refuse to issue bills of health to any vessels trafficking in that gulf except those belonging to the above Company, I have the honour to inclose herewith a copy of a telegram which I have just received from Mr. Dennis, reporting a very high-handed proceeding on the part of the Local Government of Smyrna that has reference to this subject.

The telegram states that, by orders of the Acting Governor of Smyrna, the police attacked the pontoons to which a number of steamers flying the British flag were attached, cut their moorings, and destroyed the gangways communicating with the shore.

As your Lordship will perceive, Mr. Dennis contented himself for the moment with protesting against the action of the authorities, and is anxious to know what further steps should be taken.

I should therefore be much obliged if your Lordship would kindly favour me with your instructions in the matter.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 48.

Consul Dennis to the Earl of Dufferin.

Smyrna, February 29, 1884.

(Telegraphic.)

MY despatch 7th February.

Joly's steamers now all carry British flag. To-day Chief of Police with force attacked pontoons to which these steamers moored, destroyed gangways communicating with shore, and cut moorings of one steamer flying flag. Captain of Port informed Consular

Dragoman this was done by order of Acting Governor, the Defterdar, declaring absolutely forbidden for British vessels to ply in Gulf Smyrna, doubtless to favour pretended monopoly.

Yesterday I warned authorities that, as question of passenger traffic was for decision of our Governments, if they used force I should hold them responsible for all consequences. Having forbidden resistance, no collision occurred, but incident created great excitement here. Nine British steamers in port prevented from plying. Request instructions.

No. 49.

The Earl of Dufferin to Earl Granville.—(*Received March* 10.)

(No. 38. Commercial.)

Constantinople, March 4, 1884.

My Lord,

ON the receipt of the telegram from Mr. Dennis respecting the proceedings of the Smyrna authorities with respect to the vessels under the British flag plying in the gulf, a copy of which I forwarded to your Lordship in my despatch No. 37, Commercial, of the 1st instant, I at once called the serious attention of the Ottoman Minister for Foreign Affairs to the matter, observing that it was a very grave incident, and that I had reported the matter to your Lordship, and had asked for instructions.

In reply, Aarifi Pasha has informed me that he would give immediate orders for a telegram to be sent to the Governor-General of Smyrna asking for explanations, and requiring him to abstain for the future from forcible interference in the case of British vessels connected with the coasting trade, which was a question pending between Her Majesty's Embassy and the Sublime Porte.

I have, &c.
(Signed) DUFFERIN.

No. 50.

The Earl of Dufferin to Earl Granville.—(*Received March* 10.)

(No. 39. Commercial.)

Constantinople, March 4, 1884.

My Lord,

WITH reference to my immediately preceding Commercial despatch of this day's date, I have the honour to transmit herewith to your Lordship a despatch which I have received from Her Majesty's Consul at Smyrna, giving full details of the proceedings of the local authorities at Smyrna in regard to the incident connected with Messrs. Joly's steamers.

Mr. Dennis' despatch has only just reached me. I am unable, therefore, to do more than forward it for your Lordship's immediate information.

I have, &c.
(Signed) DUFFERIN.

Inclosure 1 in No. 50.

Consul Dennis to the Earl of Dufferin.

Smyrna, February 29, 1884.

My Lord,

I HAVE had to-day the honour to dispatch to your Lordship the following telegram:—

"My despatch of 7th instant. Joly's steamers now all carry British flag. This morning Chief of Police with armed force attacked the pontoons to which these steamers were moored, destroyed the gangways communicating with shore, and cut the moorings of one steamer flying flag. Captain of Port informed Consular Dragoman this was done by order of Acting Governor, the Defterdar, declaring it was absolutely forbidden for British vessels to ply in Gulf of Smyrna, doubtless to favour pretended monopoly. Yesterday I warned authorities that, as question of passenger traffic was for decision of our Governments, if they employed force I should hold them responsible for all consequences.

Having forbidden resistance, no collision occurred, but incident created great excitement. Nine British steamers in port forcibly prevented from plying. Request instructions."

The protest which I have since made against the local authorities, together with the protest of Messrs. Joly, Victora, and Co., copies of which documents I have the honour to inclose, will explain the matter more fully to your Lordship.

I should state that on the 23rd instant the Captain of the Port sent a written order to Messrs. Joly prohibiting them from plying for passengers in the Gulf of Smyrna, in contravention of the Concession granted to Yahia Effendi. As this communication was not sent through the Consulate as usual, Messrs. Joly replied that they could not accept it as a command. Wishing to try the question practically, they ran one of their boats to Cordelio on the 27th, and on the 28th Armenac Effendi, Acting Political Secretary to the vilayet, called at the Consulate, as stated in my despatch to the Vali. On that occasion I told him that if the authorities intended to use force, as he suggested was probable, it would be sufficient to place a single sentry over the ships, who would be respected as much as a dozen. Whether he repeated this statement or not I cannot tell, but the violent course pursued by the authorities was, under the circumstances, quite uncalled for, especially the cutting away one of the steamers from her moorings, the only one which at the time had her flag flying. If I had not previously strictly enjoined on Messrs. Joly to avoid anything like an attempt at resistance, serious consequences might have ensued, as a large crowd collected and displayed great excitement.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 2 in No. 50.

Consul Dennis to Hadji Nashid Pasha.

Smyrna, February 20, 1884.

Excellency,

I HAVE the honour to inclose a letter addressed to me by Messrs. Joly, Victoria, and Co., and containing a protest, informing me that this morning the Chief of the Police, with an armed force of zaptiehs and sailors of the Imperial Marine, attacked the pontoons to which certain steamers under the British flag, belonging to that Company, were moored, proceeded to break up the gangways or flying-bridges which served as communications between the pontoons and the shore, and carried them away, so as to prevent all access to the pontoons, and moreover severed with their swords the rope-moorings of one of those steamers which at the time was flying the British flag. My chief Dragoman, who was landing at the moment from Cordelio, was informed by the Captain of the Port and the Chief of the Police that these arbitrary acts were committed by order of the Acting Governor, the Defterdar, and that this course was pursued because it was forbidden for British vessels to ply in the Gulf of Smyrna.

I should inform your Excellency that yesterday afternoon Armenac Effendi came to my Consulate, commissioned by the Defterdar to inquire if I would order Messrs. Joly not to run their vessels in the bay, seeing that by doing so they were infringing the Imperial Firman granted to Yahia Effendi.

I informed him, in reply, that as the question of the right of British vessels to participate in the passenger traffic in the internal waters of the Ottoman Empire was pending between the two Governments, I could not, without instructions to that effect from Her Majesty's Embassy, take on myself to prevent Messrs. Joly from plying, and I added that if the authorities employed force to prevent these vessels from running, I should order Messrs. Joly to make no resistance; but I warned him that in that case it would be my duty to protest against the authorities, and hold them responsible for all the consequences.

Seeing now that the Acting Governor has chosen to have recourse to force, and, not content with simply placing a guard over the pontoons to prevent access to them, has proceeded to destroy the property of British subjects, and to commit an outrage on a vessel flying the British flag, it is my duty to protest, as I do now most solemnly protest, against him, or whomever else it may concern, holding him or them responsible for all the damages, losses, and interest suffered, or that may be hereafter suffered, by Messrs. Joly, Victora, and Co., in consequence of the violent and arbitrary measures taken by the authorities to prevent the said British vessels from plying in the Gulf of Smyrna, in violation of their Treaty rights and those accruing from the uninterrupted usage of many years.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 3 in No. 50.

Messrs. Joly, Victora, and Co. to Consul Dennis.

M. le Consul, *Smyrne, le* 29 *Février*, 1884.

J'AI l'honneur de vous informer que ce matin, vers les 10 heures et demie, le Chef de la Police, accompagné de ses zaptiés et des marins de la frégate Ottomane en rade de Smyrne, arrivèrent devant notre Agence, et se mirent sommairement à démolir les communications d'une de nos échelles flottantes, auprès de laquelle étaient amarrés les bateaux m'appartenant, sous pavillon Anglais. M. le Drogman de cet honorable Consulat, Caloust Coumarian, ayant demandé à Eshreff Pacha, Chef de la Police, par quels ordres et de quel droit il agissait ainsi, il lui fut répondu que c'était en vertu des ordres donnés par le Gouverneur ad intérim, son Excellence le Defterdar Bey, à cause qu'un des dits bateaux Anglais était allé hier à Cordelio. Peu après, les gens de la police procédèrent à la démolition du pont reliant le débarcadère avec la terre ferme de notre seconde échelle, auprès de laquelle était amarré mon bateau Anglais "Stephano," sur lequel flottait le pavillon Anglais, en confisquant et en emportant avec eux les ponts précités.

De plus, ils coupèrent à coup de sabre les amarres du "Stephano," le laissant aller à la dérive, ces amarres étant attachées à ma "mahone," qui sert de passage aux voyageurs, s'embarquant tant pour les échelles du golfe que pour celles des îles et des côtes de l'archipel.

Tout ces actes ont été accomplis nonobstant mes protestations formelles, et en présence d'une foule énorme.

Outre de ce qui précède, tant le Capitaine du Port de Smyrne que le Chef de la Police, m'ont déclaré au nom du Gouvernement Impérial Ottoman, en présence de M. le Drogman de cet honorable Consulat, qu'il n'était absolument défendu de faire travailler mes bateaux à vapeur qui sont tous sous pavillon Anglais.

Je viens par conséquent, M. le Consul, protester de la manière la plus solennelle et la plus formelle contre les autorités Ottomanes de notre ville, et qui de droit, pour cet acte arbitraire et illégal, perpétré au mépris des Traités, en violation d'une propriété Anglaise et de tous nos droits, en rendant les dites autorités responsables de tous dommages-intérêts et frais soufferts et à souffrir, ainsi que de toutes les conséquences qui pourraient en résulter.

En vous priant, M. le Consul, de vouloir bien prendre immédiatement toutes les mesures d'urgence que vous jugerez nécessaires, à l'effet de sauvegarder l'honneur du pavillon Anglais et les intérêts de vos nationaux, j'ai l'honneur d'être, M. le Consul, avec respect, &c.

(*Pro* Thomas et George Joly, Victora et Cie.),
(Signé) EDWIN S. JOLY

No. 51.

Consul Dennis to Earl Granville.—(Received March 11, 6·30 P.M.)

(Telegraphic.) *Smyrna, March* 11, 1884, 1·30 P.M.

AMBASSADOR telegraphed me yesterday that the Porte had ordered Governor of Smyrna not to interfere with British tug-boats until question of coasting trade is settled.

Acting Governor denies receipt of such instructions.

Yesterday I wrote and requested him to replace flying-bridges, because British steamers intended to resume plying.

This morning they ran several times, when police forcibly stopped passengers, and crew of guard-ship removed the new gangway. Great excitement; crowd came to the Consulate making a demonstration, which I immediately repressed, to avoid further complications.

(Sent to Embassy.)

No. 52.

The Earl of Dufferin to Earl Granville.—(Received March 12.)

(No. 46. Commercial.) *Constantinople, March 7, 1884.*

My Lord,

I HAVE already informed your Lordship, with reference to the interference of the police with the British coasting-vessels at Smyrna, as noted in Mr. Consul Dennis' despatch No. 10 of the 29th February, that the Minister for Foreign Affairs, directly I brought the incident to his knowledge, promised to telegraph instructions to the Vali of Smyrna to prevent all further interference with the vessels in question. At the same time, I requested Mr. Dennis to report fully on the subject, and to inform me if the Vali had received the instructions which his Highness Aarifi Pasha had promised to send. Up till now, however, I have not heard from Mr. Dennis, so that I am unable to inform your Lordship by this mail whether or not the affair has been brought to a satisfactory conclusion.

The state of the case seems to be as follows:—

A certain Yahia Effendi, through the influence of the Chief Eunuch, obtained a Concession giving him a monopoly of the coasting trade in the Bay of Smyrna, and it was in order to enforce this monopoly, the validity of which cannot be sustained, that the police acted as described. The Vali of Smyrna was absent at the time, and the chief agents in the business seem to have been his subordinate and the Captain of the Port, who probably counted on the support of the Palace.

As your Lordship is aware, I sent in a note to the Porte on the 8th December last, vindicating the right of British vessels to engage in the coasting trade along the sea-board of Turkey, and I was given to understand by the Under-Secretary of the Interior that though the Porte did not intend to reply to the note in question, they would not interfere with our vessels, and the language in which the Minister for Foreign Affairs recently replied to my representations has been in consonance with this declaration. I am given to understand, however, as I mentioned in a previous despatch, that the Porte is inclined to draw a distinction between the coasting trade in the Gulf of Smyrna and the coasting trade along other parts of the Turkish sea-board, on the ground that, like the Bosphorus—in regard to which a similar dispute arose some years ago, in which the Turks gained their point—the Gulf of Smyrna is a *mare clausum*, and it is with this pretension we shall have to deal.

I have, &c.
(Signed) DUFFERIN.

No. 53.

The Earl of Dufferin to Earl Granville.—(Received March 12, 2 P.M.)

(Commercial.)
(Telegraphic.) *Constantinople, March 12, 1884, 12:30 P.M.*

DENNIS' telegram of the 11th instant, repeated to London.

The Porte has reiterated its order to Smyrna authorities not to interfere forcibly with British coasting vessels until further orders.

(Repeated to Dennis.)

No. 54.

Earl Granville to the Earl of Dufferin.

(No. 30. Commercial.) *Foreign Office, March 12, 1884.*

My Lord,

AT an interview which I had to-day with the Turkish Ambassador I spoke to his Excellency of the violent measures taken by the authorities at Smyrna to prevent British vessels from plying in the gulf.

I said that the matter was a very serious one, which we could not view with indifference, and that at the present moment it was particularly unfortunate. We had heard with surprise and concern that, although your Excellency had been assured that orders had been given to the Governor to cease his interference until the question of

the coasting trade was settled, the Acting Governor denied having received such instructions, and the proceedings complained of were continuing.

Your Excellency, I said, had now been assured that the orders had been repeated. But it was difficult to know what to think, when orders stated to have been given were not obeyed, and even their receipt was denied.

I am, &c.
(Signed) GRANVILLE.

No. 55.

The Earl of Dufferin to Earl Granville.—(Received March 15.)

(No. 50. Commercial.) *Constantinople, March 11, 1884.*

My Lord,

I HAVE the honour to transmit to your Lordship a further despatch from Mr. Consul Dennis on the subject of the attempt of the local authorities of Smyrna to prevent certain British steamers from plying in the Gulf of Smyrna, which was reported by me in my despatch No. 46, Commercial, of the 7th instant.

I am informed that a second telegram has been sent by the Porte directing the Governor of Smyrna not to interfere with British tug-boats until the question of "cabotage" is settled.

I have, &c.
(Signed) DUFFERIN.

Inclosure 1 in No. 55.

Consul Dennis to the Earl of Dufferin.

Smyrna, March 5, 1884.

My Lord,

I HAD the honour last night to receive the following telegram from your Lordship:—

"Porte has sent orders to the Vali to abstain from further interference with our ships, as the coasting trade question is under discussion between the two Governments. Are the ships in question *bonâ fide* British? Ascertain if the Vali has received the necessary orders."

To your Lordship's telegram I have replied to day:—

"The Acting Governor has received instructions not to interfere further. I interpret these instructions as allowing our ships to ply till the settlement of the question. The Acting Governor interprets otherwise. Am I right? Seven steamers are *bonâ fide* British. The other two also, but the formality of the purchase is disputed.—DENNIS."

This morning I sent my First Dragoman to the konak to ascertain if the instructions mentioned in your Lordship's telegram had reached the Defterdar, who in the absence of the Vali is acting for him. My Dragoman learned that the instructions from the Minister of Foreign Affairs had already arrived, and being allowed to read the telegram, reports it to be couched almost in the following words:—

"The English Embassy has complained verbally that you have prevented certain small steamers from plying in the port of Smyrna, and have prevented passengers from going on board by placing a force in those steamers. This course was improper, as it was an aggression on the English flag, and may give rise to a dispute between the two Governments; and as the question of 'cabotage' is still pending between England and the Porte, you are instructed, until the question is settled, not to interfere by force with these steamers."

The Defterdar stated his reply to be to the following effect:—

"I did not place a force in the steamers, but prevented passengers from going on board to the privileged places in the gulf, in order to uphold the Firman granted to Yahia Effendi, and the Treaties. I have fully reported the matter to the Minister of the Interior, and wait for further instructions.—KADRI."

The mistake about placing a force on board the steamers appears to have arisen at Constantinople, as the Defterdar does not acknowledge having done so, nor have I heard any complaint to that effect. But in his reply to my protest, translation of which

I have the honour to inclose, the Defterdar makes a great mistake in asserting that it was against my recommendation, as well as against his, that Messrs. Joly ran their vessels on Thursday last, the fact being that, in answer to Armenac Effendi's inquiries, I stated that I could neither advise Messrs. Joly, nor could I forbid them to run, if they pleased to do so.

The steamers of Messrs. Joly and Co. are, I believe, *bond fide* British. One of them was built and registered in England. All have been purchased by British subjects, and stand in their names. I have given provisional certificates for the six which require them, and Messrs. Joly and Co. are now applying to Her Majesty's Consul-General at Constantinople for certificates of British ownership.

Mr. Hönisher claims to be sole legal proprietor of his two steamers, as they were purchased by him in his name alone, and no other person is possessed of any document constituting him the proprietor or part proprietor of these steamers.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 2 in No. 55.

Kadri Bey to Consul Dennis.

(Translation.)
Smyrna, March 3, 1884.

Sir,

I RECEIVED on the 1st March, 1884, your protest, dated the 29th February, addressed to the Governor-General of the vilayet, and inclosing a document from Messrs. Joly, Victora, and Co.'s Director complaining of the action of the Chief of the Police with regard to their steamers, and I have perused the same.

As you are aware, the action of the Local Government in this matter was in accordance with their duty strictly to uphold the authority of the Firman granted by His Imperial Majesty the Sultan with respect to the privilege of the Hamidié Steam-ship Company, which, in short, is to the effect that steamers other than those belonging to the said Company are not allowed to ply between certain landing-stages in the port of Smyrna, the names of which are well known.

If the owners of the said steamers had conformed to the recommendations given by the authorities and by yourself with reference to their unlawful action on Thursday, and had they not endeavoured forcibly to repeat running their steamers on Friday morning, and had not some persons forming part of a large crowd which had collected on the quay opposed the officers of justice, thereby causing a row, and if the Company, having no right whatever, had not persisted, it is clear that the authorities would have had nothing to say.

But it is to be regretted that the matter has come to such a point as persisting in measures against the sacred rights of the Government and the decree of the Firman. As it was seen that this circumstance, together with the assembling of a crowd, would have doubtless caused a tumult, the important duty of upholding the honour of the Government, and preserving the peace of the town in the easiest and safest way, by taking away temporarily the wooden flying-bridges between the quay and the pontoons, was carried out, and the dispersion of the crowd mentioned in the inclosed document was thus obtained, and there was no evil result.

As, contrary to the maritime laws and regulations, one of Messrs. Joly, Victora, and Co.'s steamers had been moored to the flying-bridge, the rope was severed to keep the vessel out of danger, and I believe that you will agree with me that the taking away of the bridge was intended to uphold the maritime law. It is much to be regretted that the steamers, which ten days ago were under the Ottoman flag, and were for some time past hired by the Hamidié Company, and sold only a few days ago to a foreign subject, should, immediately after hoisting the English flag, wish to run to "scalas" in contravention of the rivilege decreed.

I beg to point out that as there is no interference whatever with English steamers, the owners have no right whatever to claim damages for the taking away of the aforesaid gangways, which was done to prevent passengers going on board steamers which are forbidden to ply, or for not being able to ply to "scalas" to which the decreed privilege and Treaty prevents their running.

The Government having acted rightly, I, as Acting Governor-General, reject the protest which they have made against a safe measure taken for the preservation of the

peace of the town, and especially for upholding Treaty rights, and I protest energetically against the acts of certain British subjects in opposition to Treaty rights.

I have, &c.
Acting Governor-General and Defterdar,
(Signed) KADRI.

No. 56.

Consul Dennis to Earl Granville.—(*Received March* 17, 2 P.M.)

(Commercial.)
(Telegraphic.)
Smyrna, March 17, 1884, 8 A.M.

YESTERDAY Ambassador telegraphed to me that he was absolutely certain that Porte had sent express orders to Acting Vali to abstain from interference with British tug-boats. "Let me know what Vali replies." I telegraphed in reply: "I have just seen Vali, and I read your Excellency's telegram to him. He replied no such orders yet received. No communication on the subject since that referred to in my telegram of Friday. To prevent passengers going on board he considers no interference; therefore, I respectfully suggest that to prevent further quibbling his instructions should not mention interference, but clearly say let British tug-boats freely ply with passengers to all places in Gulf of Smyrna as heretofore. Vali telegraphed in my presence, reporting my visit, and requesting immediate instructions."

No. 57.

Earl Granville to the Earl of Dufferin.

(Commercial.)
(Telegraphic.)
Foreign Office, March 18, 1884, 5·40 P.M.

SMYRNA case cannot be allowed to rest until Porte has re-established traffic,* expressed regret, reproved local authorities, and paid indemnity for damage. Her Majesty's Government will not submit to such acts of violence against British subjects. Address strong remonstrances to above effect.

No. 58.

Earl Granville to the Earl of Dufferin.

(No. 34. Commercial. Ext.)
Foreign Office, March 18, 1884.

My Lord,

I HAVE received your Excellency's despatches and the telegrams noted in the margin,† relative to the recent interference with British steamers by the local authorities at Smyrna. The case cannot be allowed to rest until the Porte has re-established the traffic which the local authorities have interrupted, expressed regret at the occurrence, reproved these authorities, and paid indemnity for the damage caused by their action. Her Majesty's Government will not submit to such acts of violence against British subjects.

I have addressed to your Lordship to-day by telegraph the substance of this despatch, and at the same time requested that you will address a strong remonstrance to the Porte to the above effect.

I am, &c.
(Signed) GRANVILLE.

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* See Consul Dennis' telegram of March 17, just received.
† Nos. 50, 51, 52, 55, and 56.

No. 59.

Consul Dennis to the Earl of Dufferin.—(*Received at the Foreign Office, March* 19.)

My Lord, *Smyrna, March* 11, 1884.

I HAD the honour yesterday to receive the following telegram in cypher from your Lordship:—

"I am informed that the Porte has sent a second telegram to the Acting Governor of Smyrna not to interfere with the British tug-boats until the question of 'cabotage' is settled."

On the receipt of this telegram I sent a despatch to the Acting Governor in these words:—

"I have the honour to request your Excellency will have the goodness to give immediate orders to replace the flying-bridges which your Excellency removed on the 29th February from the pontoons of Messrs. Joly and Co., as those gentlemen have informed me of their intention to resume running their steamers in the Gulf of Smyrna."

I had heard that morning from good authority that a telegram had been received the previous evening which had caused great excitement at head-quarters, and I naturally concluded it to be the telegram refered to by your Lordship. To ascertain if such instructions had really been received, and knowing that if unpalatable to the authorities they would not be immediately avowed, I thought it advisable to appear to take it for granted, and assuming that they had been received, to test the fact by requesting the Defterdar to restore the flying-bridges. I felt I was justified in any case in calling on him to take this step, since he had acknowledged the receipt of a previous telegram to the same effect which he had allowed my Dragoman to peruse, as stated in my despatch to your Lordship of the 5th instant. I had also good reason to believe that he attached a limited meaning to the words "interference by force," interpreting them to signify merely putting policemen on board the British vessels, of which he had never been accused, and on this account I telegraphed to your Lordship on the 5th inquiring if I was right in interpreting the non-interference as the permission to allow the vessels to ply freely as before.

The Defterdar wrote a note in reply, a translation of which I have the honour to inclose, dated yesterday, but which reached me only late this morning, when I sent for it to the konak.

In this note he gives permission to Messrs. Joly to replace the gangways, but threatens at the same time that if they should attempt to run to the privileged places in the gulf to which by Treaty no other than the boats of the Hamidié Company were entitled to ply, they would be prevented as before, and he would again be obliged to have the bridges removed.

But prior to the receipt of this letter, between 9 and 10 this morning, I received another communication from the Defterdar, denouncing the attempt which I had told him was about to be made by the steamers of Messrs. Joly to resume their usual operations in the gulf. He informs me that he has completely stopped their proceedings for acting "in opposition to the Treaty decrees and the privilege," and will continue to do so "until a special order is issued by the Sublime Porte" to the contrary. He therefore protests against them, and against me for having permitted them to take this improper course, throwing on us the responsibility of whatever consequences may result therefrom. Translation of this letter I have the honour to inclose.

At the same hour this morning I was informed by Messrs. Joly and Co. that they had commenced running their vessels at daylight, and had already made five trips to Cordelio, and were about to make another start when a body of some thirty policemen marched up, formed a cordon in front of the pontoon, and thus prevented all access to the boats, forcing back those who wished to go on board in a way that would be considered an assault in England, but not using the unnecessary and brutal violence usually resorted to by Turkish policemen in such circumstances. A boat's crew from the guardship in the port also came up and carried away the new gangway which had been improvised for access to the pontoon to which the steamers were moored. The crowd on the quay, I am told, was very great, and highly excited, loudly denouncing the arbitrary conduct of the authorities, as I presently learned when my Consulate was suddenly invaded by some hundreds of people of all classes, who began to utter loud cheers for England. I immediately took measures to stop them, representing to them that a demonstration of this sort would do the cause they favoured no good, but would only aggravate the hostile feeling of the authorities. I charged those of the better class who came to my office to

refrain from any attempt at resistance, even if they were pushed or collared by the police force, as some of them had been, and from doing anything which would be likely to imperil the public peace.

Your Lordship will perceive from the foregoing statement that matters have reached a serious crisis. The sympathies of the townspeople of all classes, save the officials, appear to be with Messrs. Joly and Co., whose boats have been running in the port and gulf for many years, and who have invariably studied the comfort and convenience of their passengers, as I can personally testify, while in the boats of the concessionnaire, Yahia Effendi, the passengers—especially those of the lower classes—are treated, I am informed, with great disrespect, and even brutality, besides being charged much higher fares.

I may observe that the Defterdar seems determined to put what construction he pleases on the orders he receives, and threatens to continue his interference by force with these British tug-boats until he receives "a special order" from the Porte to allow them to run. What he means by "a special order" he does not state, but he probably means that instead of being instructed to cease his interference by force he requires an explicit order to allow the British boats to ply with passengers freely in the port and Gulf of Smyrna as heretofore.

The Vali is still absent, and in all probability will not return until this ugly question is settled.

I have, &c.
(Signed) GEO. DENNIS.

Inclosure 1 in No. 59.

Kadri Bey to Consul Dennis.

(Translation.)

Sir, *Smyrna, March* 10, 1884.

IN answer to your letter of the 10th March, 1884, I have to state that Messrs. Joly and Co. may take and replace the flying-bridges which were lately removed. But as the plying of steamers of foreign subjects in the port and Gulf of Smyrna is prohibited by Treaty, and as you have been several times informed that steamers other than those belonging to the Hamidié Company have no right to ply in the port or Gulf of Smyrna, or to any of the privileged places, if Messrs. Joly should, notwithstanding this, endeavour to ply between the privileged places, they will be prevented as before, and such endeavour being unworthy, should there be a recurrence of the much to be regretted events of the 29th February, I beg to inform you that I shall be obliged to remove the said bridges through the authorities.

I have, &c.
Acting Governor and Defterdar,
(Signed) KADRI.

Inclosure 2 in No. 59.

Kadri Bey to Consul Dennis.

(Translation.)

Sir, *Smyrna, March* 11, 1884.

AS I have several times written to you, and as I also informed you in my answer dated yesterday, that until a special order is issued by the Sublime Porte, neither the steamers of Messrs. Joly, Victora, and Co. nor other foreign steamers can ply in the port and in the Gulf of Smyrna in opposition to the Treaty decrees and the privilege. The improper running again this morning of the steamers of Messrs. Joly has been thoroughly impeded.

Owing to certain persons in the name of British subjects having repeatedly acted exceedingly in opposition to the Treaty and privilege, whatever harmful consequences of this improper action may possibly result in an important town like Smyrna, the responsibility will fall upon the promoters.

I therefore energetically protest against them, and against you for having permitted their acts.

I have, &c.
Acting Governor and Defterdar,
(Signed) KADRI.

No. 60.

The Earl of Dufferin to Earl Granville.—(Received March 22.)

(No. 58. Commercial.)

Constantinople, March 18, 1884.

My Lord,

IN forwarding the inclosed despatches from Mr. Consul Dennis relative to the incidents connected with the "cabotage" question at Smyrna, I beg to state that the Minister for Foreign Affairs gave me a positive assurance, which I am perfectly certain was truthful, that on his own responsibility he had telegraphed to the Vali to permit Messrs. Joly's boats to ply without let or hindrance. Yesterday, in consequence of my representations, his Highness Aarifi Pasha sent a request to the Minister of the Interior to forward still more categorical orders to the Smyrna authorities, which I trust may prove effectual in settling the difficulty. In the meantime, in order to prevent all risk of the situation becoming aggravated by any accidental disturbances, I have instructed Consul Dennis to recommend Messrs. Joly to suspend the running of their boats until he hears again from me. Should, however, the Smyrna authorities persist much longer in evading the orders of the Porte, I will telegraph to your Lordship and ask for instructions. In the meantime, however, it seems better to display a little patience.

In connection with the foregoing subject, I may remark that a fresh inconvenience in the administration of Ottoman affairs is becoming rapidly accentuated in consequence of the growing insubordination of the local authorities to the orders of the Porte. At Bagdad, at Aleppo, at Scutari, and now at Smyrna, evidences have cropped up of the complete indifference of the local authorities to the instructions they receive from their official superiors. Relying on the protection of the Palace, and frequently acting on the direct orders of the Sultan, which are communicated without even the knowledge of the Ministers, these persons seem to take a pleasure in thwarting and disobeying the Central Government. Such a state of things of course greatly adds to the difficulty of obtaining redress in any case in which an Embassy has occasion to remonstrate with the Porte.

I have, &c.

(Signed) DUFFERIN.

Inclosure 1 in No. 60.

Consul Dennis to the Earl of Dufferin.

Smyrna, March 13, 1884.

My Lord,

SINCE writing the foregoing despatch, the duplicate of which I transmitted to the Secretary of State by yesterday's mail, I have had the honour to receive your Lordship's telegram of yesterday repeating a telegraphic communication to Lord Granville that "the Porte had reiterated its orders to the Smyrna authorities not to interfere forcibly with the British coasting-vessels until further orders."

I lost no time in sending my Dragoman to the konak to inquire of the Defterdar if his Excellency had received such instructions. Having received a categorical reply in the negative, I telegraphed last evening to your Lordship as follows:—

"*March* 12.

"Your Lordship's telegram of this morning. The Acting Governor-General declares to my Dragoman that he has had no such orders, indeed, none on the subject since the first, reported in my despatch of the 5th March. Had he received them, he could not possibly disobey."

Late last night I received a letter from the Governor-General himself, announcing his return to Smyrna, and confirming the statement of the Defterdar that up to the hour he wrote (about 9 P.M.), he had received no orders from the Sublime Porte instructing him to allow the English tug-boats to ply in the gulf, but that he had telegraphed for an explanation, and that until he receives such orders it is his duty to prevent the British steamers from running. Translation of this letter I have the honour to inclose.

Messrs. Joly have handed to me a statement of the services they have rendered to the Ottoman Government, with a prayer that your Lordship will take their situation, which has become intolerable, into your Lordship's serious consideration. I have the honour also to inclose a copy of this communication.

I have, &c.

(Signed) GEO. DENNIS.

Inclosure 2 in No. 60.

Naschid Pasha to Consul Dennis.

(Translation.)

Sir, *Smyrna, March* 12, 1884.

I HAVE just returned to my head-quarters, and have lost no time in examining minutely all the acts and proceedings which have taken place with reference to the attempt of British subjects to run steamers in the gulf in opposition to the Treaty decrees and to the privilege granted by His Imperial Majesty the Sultan.

I hope that you will agree with me, without hesitation, that the local authorities are in the right in protecting the decree of the privilege. During my absence the Dragoman of your honourable Consulate called on the honourable Defterdar, Kadri Bey, who was acting for me, and reported to him as if categorical orders had come to the vilayet to allow the English steamers to work. As up to this moment I have not received any order from the Sublime Porte to the effect of permitting the English steamers to ply in the Gulf of Smyrna, which is contained in the privilege, I have already asked for explanations by telegram.

Until the arrival of such an order, as the local authorities cannot consent to allow the English steamers to ply in opposition to the Treaty decrees and the privilege, I have to state that I am persuaded that on your part also you will not desire to act in opposition to the Treaties.

I have, &c.

(L.S.) RASCHID NASCHID.

Inclosure 3 in No. 60.

Messrs. Joly and Co. to Consul Dennis.

M. le Consul, *Smyrne, le 7 Mars*, 1884.

NOUS Soussignés, Thomas Joly et George O. Joly, sujets Anglais, avons l'honneur de vous exposer les faits suivants que nous soumettons très respectueusement à l'attention toute particulière des Représentants du Gouvernement de Sa Majesté la Reine accrédités auprès de la Sublime Porte et des autorités Ottomanes.

Il s'agit de la nouvelle condition qui est faite dans nos parages par les autorités Ottomanes au commerce maritime et à la navigation Anglaise qui a été de tout temps la base principale de la puissance, de la grandeur, et de la richesse de notre mère-patrie.

Depuis bientôt dix ans, nous sommes parvenus à former une Société Maritime Anglaise pour faire le cabotage à vapeur dans le Golfe de Smyrne et de ses environs et pour certaines Iles de l'Archipel Ottoman, touchant à Aivali et à certains ports de la Roumélie.

Les services que nous avons rendus soit au Gouvernement Impérial Ottoman, soit au public de Smyrne et de ses environs par nos sept remorqueurs qui sont sous pavillon Anglais, sont si nombreux qu'il serait oiseux de les énumérer tous. Nous nous permettrons seulement de relater les principaux, pour juger de l'utilité de notre institution même au point de vue des intérêts de ce pays.

Les quatre villages: Cordelio, Caratach, La Quarantaine, et Gueuztepé, qui étaient presque dépeuplés, se trouvent actuellement dans un état si florissant, grâce au service quotidien des bateaux à vapeur que nous avons établis, que toutes les propriétés immobilières situées dans ces villages ont quintuplé de valeur.

L'échelle de Vourlah s'est transformée en une bourgade depuis l'installation de ce service.

Les deux Phocées ont prospéré en même temps à l'aide des grandes facilités accordées aux communications depuis l'installation de notre service.

Pendant la dernière guerre Turco-Russe notre Compagnie reconnaissant ses obligations envers le Gouvernement Impérial Ottoman a mis toutes ses mahones et ses remorqueurs à sa disposition pour le transport des troupes, des munitions, et des vivres, et cela à titre gratuit.

Lors du grand tremblement de terre de Chio le premier bateau à vapeur accouru au secours des sinistrés, c'était notre remorqueur No. 1, le "Stefano," chargé de vivres qui étaient destinés à la population affamée de cette île.

A Tchesmé, lors des derniers tremblements de terre, c'est notre remorqueur le "Constantino" qui est arrivé le premier sur les lieux du sinistre.

Nos bateaux à vapeur ont été mis toujours à la disposition des Gouverneurs-Généraux

du Vilayet d'Aïdin pour les besoins du service administratif, et cela également à titre gratuit.

Les fonctionnaires et chefs d'Administration Ottomans, les policemans et les gendarmes ont eu de tout temps libre passage à bord de nos bateaux.

Après l'affaire des brigands de Kiuluk nos bateaux à vapeur y ont effectué trois voyages pour y porter les rançons, exigés par les brigands, et transporter à Smyrne tous les prisonniers délivrés.

Pendant dix ans, il n'y a eu aucune interruption de service, sur lequel nous avons porté une attention si vigilante qu'il n'y a eu aucun accident, aucune perte d'homme à déplorer.

Le Gouvernement Impérial Ottoman reconnaissant à son tour les services que notre Compagnie a rendus, lui a accordé un permis de navigation délivré par l'Amirauté Impériale Ottomane, permis que vous jugerez du reste absolument superflu du moment que notre droit de naviguer dans ces parages est formellement reconnu par les Capitulations et les Traités en vigueur entre la Grande-Bretagne et la Sublime Porte.

Malgré les dispositions claires et précises des Traités en vigueur, malgré les services rendus par notre Compagnie tant à l'État qu'au public, le Gouvernement Impérial Ottoman a toléré certains actes qui ont porté une grave atteinte à nos intérêts et qui ont produit en cette ville un étonnement et une sensation extrêmes.

Un nommé Yahia Effendi, ayant pu se procurer un Firman Impérial pour former une Compagnie Ottomane de cabotage à vapeur dans le Golfe de Smyrne et ses environs, s'est prévalu de ce Rescrit pour soutenir et faire admettre par les autorités locales qu'il a le privilège exclusif où le monopole de cabotage à vapeur dans le Golfe de Smyrne et les environs.

La Société présidée par Yahia Effendi est composée de membres Ottomans, Français, et Italiens, ainsi qu'il résulte de tout ce qui a été publié à ce sujet par les journaux de Smyrne.

Il ne nous est pas donné encore de savoir si le Firman Impérial susmentionné accorde à Yahia Effendi une Concession ou un monopole, car depuis sept mois qu'il l'a obtenu, il ne l'a ni publié, ni affiché au Tribunal de Commerce, conformément aux dispositions catégoriques du Code de Commerce Ottoman, et cela pour des raisons à lui seul connues.

L'autorité locale ayant attribué à ce Firman le sens d'un monopole, a défendu à nos sept remorqueurs sous pavillon Anglais, de continuer le service établi depuis dix ans, sous les yeux mêmes du Gouvernement Impérial Ottoman.

La manière d'agir de Kadri Bey, Gouverneur-Général Intérimaire et Defterdar du Vilayet d'Aïdin; d'Echref Pacha, Préfet de Police; et de Bilal Effendi, Capitaine du Port de Smyrne, est si en désaccord avec les dispositions de la loi, les Traités en vigueur et les règles ordinaires du droit international qu'ils doivent en assumer toute la responsabilité.

Si le Defterdar Effendi était en droit de suspendre le service de nos bateaux à vapeur il aurait dû nous envoyer préalablement un communiqué par le canal de cet honorable Consulat dont nous relevons, et si nous ne suspendions pas le service, en faisant nos réserves, il aurait pu prendre des mesures coercitives.

Les trois fonctionnaires susnommés ne se sont nullement avisés d'agir ainsi, mais ils ont préféré employer directement la force armée, confisquer nos échelles, couper à coup de sabre les amarres de nos bateaux, et insulter notre pavillon.

De quel droit et à quel titre l'autorité locale aurait-elle toléré ces actes? Aux termes des Traités, la navigation est libre dans ces parages et les monopoles sont absolument prohibés selon l'esprit et la lettre même des Traités. Le petit comme le grand cabotage étant admis dans les États de Sa Majesté Britannique pour le pavillon Ottoman, la Sublime Porte doit reconnaître le même droit au pavillon Anglais dans ses États.

Nous nous permettrons d'ajouter aussi que dans le cas où le permis de Yahia Effendi serait pour la formation d'une Compagnie Ottomane, ce permis ne saurait nullement atteindre les droits acquis dix ans par notre Compagnie consacrés par des permis et qui sont par ce fait même devenus imprescriptibles.

Ce n'est pas à nous sans doute à enlever à la conduite de trois fonctionnaires Ottomans, son caractère offensant pour le pavillon national. Il nous semble seulement que nous sommes en droit de maintenir nos protestations réitérées comme nous les maintenons en faisant nos réserves les plus formelles pour reclamer en temps et lieu opportuns du Gouvernement Ottoman Impérial nos dommages-intérêts qui acquièrent de grandes proportions tant que nos sept bateaux à vapeur qui font le service, tant au dehors que dans le Golfe de Smyrne et ses environs, sont condamnés au chômage par le bon plaisir de quelques fonctionnaires.

En attendant, qu'il nous soit permis d'espérer que la Sublime Porte s'inspirera comme par le passé d'un sentiment juste et élevé pour mettre fin à un état de choses qui porterait une grave atteinte aux intérêts de la navigation Britannique et dont le maintien serait aussi très préjudiciable aux intérêts des parties.

C'est pour ces raisons que nous venons par votre entremise, M. le Consul, solliciter qu'il plaise à son Excellence Lord Dufferin, Ambassadeur de Sa Majesté Britannique à Constantinople, de prendre en sérieuse considération notre situation qui est vraiment intolérable, et aviser aux moyens que l'illustre Lord jugera efficace pour la protection des intérêts de ses ressortissants et le maintien de l'honneur de notre pavillon.

Nous sommes, &c.

(*Pro* Thomas and Geo. O. Joly),

(Signé) EDWIN S. JOLY.

No. 61.

The Earl of Dufferin to Earl Granville.—(*Received March* 25.)

(Commercial.)
(Telegraphic.) *Constantinople, March* 25, 1884; 11·45 A.M.

THE service of the British vessels at Smyrna was re-established yesterday. I had already sent in a note founded on your instructions, though I believe the necessary orders had been sent to Smyrna before it reached the Porte. Under the circumstances, I am inclined to suggest that we should content ourselves with insisting upon the Acting Governor being reprimanded, but not either upon an indemnity or an apology, as the Porte itself has from the outset shown a correct spirit in the matter, and the reception of the note is a severe lesson.

No. 62.

Earl Granville to the Earl of Dufferin.

(Commercial.)
(Telegraphic.) *Foreign Office, March* 27, 1884, 1·30 P.M.

YOUR telegram of the 25th, Commercial.

I am willing to leave to your discretion further action in regard to question of Smyrna coasting trade; but suggest that you should intimate privately to the Foreign Minister that in communicating to you the fact that the Acting Governor of Smyrna has been reprimanded, some expression of regret, as a matter of ordinary courtesy, should be added.

No. 63.

The Earl of Dufferin to Earl Granville.—(*Received March* 29.)

(No. 62. Commercial.)

My Lord, *Constantinople, March* 24, 1884.

I HAVE the honour to transmit herewith to your Lordship a copy of a note which, in compliance with the instructions contained in your Lordship's despatch No. 33, Commercial, of the 18th instant, I have addressed to Aarifi Pasha upon the subject of the violent measures taken by the authorities at Smyrna to prevent British vessels plying in the gulf.

I have, &c.

(Signed) DUFFERIN.

Inclosure in No. 63.

The Earl of Dufferin to Aarifi Pasha.

Constantinople, March 23, 1884.

Altesse,

IT will be in your Highness' recollection that on the 8th December last this Embassy addressed a note to the Sublime Porte, maintaining, on grounds which it was impossible to gainsay, the Treaty right of British vessels to participate in the coasting trade of Turkey.

Some months having elapsed, and no reply being returned, it was naturally concluded that the views thus set forth had met with the acquiescence of the Turkish Government. It was therefore with very great surprise that I received a telegraphic message from Her Britannic Majesty's Consul at Smyrna, dated the 29th February, stating that certain steamers flying the British flag, and which for years past have been in the habit of plying between Smyrna and other neighbouring ports, had been forcibly prevented by the local authorities from continuing their traffic. The incident was rendered still more grave from the fact of the police having exhibited considerable violence in boarding the pontoons to which the steamers were moored, in destroying the gangways which enabled the ships to communicate with the shore, and in cutting the moorings of a particular vessel on which the British flag was flying.

On the receipt of this intelligence a communication was addressed to your Highness, recounting the foregoing facts, and requesting you to give such orders as might put an end to these arbitrary acts, and permit the Company's vessels to resume their wonted employment. With that courtesy and sense of justice which invariably distinguish your Highness you were good enough, as you informed me, to give the required directions, a fact which I lost no time in telegraphing to Consul Dennis, who immediately waited upon the Acting Governor, who exhibited to him your Highness' telegram, which was couched in the following terms:—

"The English Embassy has complained verbally that you have prevented certain small steamers from plying in the port of Smyrna, and have prevented passengers from going on board by placing a force in those steamers. This course was improper, as it was an aggression on the English flag, and may give rise to a dispute between the two Governments; and as the question of 'cabotage' is still pending between England and the Porte, you are instructed, until the question is settled, not to interfere by force with those steamers."

Unfortunately, the Acting Governor chose on his own responsibility to put upon these orders a perverse interpretation, and so far from assuming towards the English steamers (which on the strength of your Highness' telegram had resumed their service) the attitude of reserve recommended to him by your Highness, he again sent his police to prevent passengers by force from going on board, while the crew of the guard-ship removed the new gangways.

On the news of this second act of forcible interference reaching this Embassy, a notification of the circumstance was conveyed to your Highness, and you again undertook to telegraph in still more peremptory terms to the Defterdar, ordering him to abstain from continuing to impede the service of the boats. At the same time, a telegram announcing the nature of your Highness' message was transmitted to Her Majesty's Consul. Mr. Dennis, however, replied that the Defterdar persisted in ignoring the orders which he had received, and had informed him that he was still determined to prevent the steam-boats from plying. Under these circumstances, it became necessary for me to submit the reports of its Consul on the case to the consideration of Her Majesty's Government, who have now instructed me to inform your Highness that such violent proceedings directed against vessels carrying the British flag cannot be tolerated, and that they must insist upon the interrupted steam-boat traffic being re-established upon its normal basis. They have also directed me to require that the injured Company should be indemnified for the pecuniary loss which it has sustained, and that the local authorities whose insubordination to your Highness' orders has so much enhanced the gravity of the original incident should be severely reproved.

In submitting the facts above recited to Her Majesty's Government, I have been careful to make it clear that what has happened took place without your Highness' knowledge, and that the moment it was brought to your cognizance your Highness did your best to obviate its evil consequences. This Embassy is therefore quite certain that your Highness will authorize me to express on your behalf to Lord Granville your regret that this untoward occurrence should for the moment have troubled the friendly relations existing between the two Governments.

I avail, &c.
(Signed) DUFFERIN.

No. 64.

Earl Granville to the Earl of Dufferin.

(No. 41. Commercial.)
My Lord, *Foreign Office, April 1, 1884.*

HER Majesty's Government approve the note addressed by you to Aarifi Pasha, a copy of which is inclosed in your Excellency's despatch No. 62, Commercial, dated the 24th ultimo, respecting the violent measures adopted by the authorities at Smyrna to prevent British vessels from plying in the gulf.

I am, &c.
(Signed) GRANVILLE.

No. 65.

The Earl of Dufferin to Earl Granville.—(Received April 9.)

(No. 68. Commercial.)
My Lord, *Constantinople, March 31, 1884.*

WITH reference to previous correspondence, I have the honour of transmitting to your Lordship copy of a further despatch from Mr. Consul Dennis with regard to the reluctance of the Vali of Smyrna to give full effect to the instructions furnished to him by the Sublime Porte not to interfere with the freedom of navigation hitherto enjoyed by British coasting-vessels at Smyrna.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 65.

Consul Dennis to the Earl of Dufferin.

My Lord, *Smyrna, March 17, 1884.*

I HAD the honour yesterday afternoon to receive your Lordship's telegram of the morning in these words:—

"I am absolutely certain that the Porte has sent express orders to the Acting Vali to abstain from interference with British tug-boats. Let me know what the Vali replies."

Immediately on the receipt of this telegram I called on his Excellency the Vali, and was astonished to hear from his lips a denial of having received any instructions to allow the boats to resume their plying. He declared he was still waiting for the explanation he had requested from the Minister of the Interior, as stated in my telegram of the 14th. Suspecting some evasion, I pressed his Excellency rather hard, and ultimately elicited that he considered he would not be guilty of interference so long as he did not touch the English boats, but simply placed a force to prevent passengers from going on board for conveyance to any of the places in the gulf specified in the monopoly granted to Yahia Effendi. He said if they wanted to run to any place not within "the privilege," he would not prevent them. As he interprets interference in so limited a sense, I took the liberty, in my yesterday's telegram to your Lordship, of suggesting that his instructions should be expressed in unmistakable language, or they would be evaded by some subterfuge.

The Vali ordered a telegram to be drawn up, which was translated to me by my Dragoman, and was in very clear and satisfactory language, requesting to be immediately instructed if he was to allow the British boats to run to the privileged places, in accordance with the sense of your Lordship's telegram.

On returning I forwarded to your Lordship the following telegram in cypher:—

"I have just seen the Vali, and have read your Lordship's telegram to him. He replied, 'No such orders yet received,' no communication on the subject since that referred to in my telegram of Friday. To prevent passengers from going on board he considers no interference; therefore I respectfully suggest that, to prevent further quibbling, his instructions should not mention 'interference,' but clearly say, 'Let British tug-boats freely ply with passengers to all places in the Gulf of Smyrna as heretofore.' The Vali telegraphed in my presence, reporting my visit, and requesting immediate instructions."

This evening I have received the telegram dispatched by your Lordship at 5·30:—

"Until the present misunderstanding is cleared up, it would be advisable to recommend Messrs. Joly not to attempt to run their boats."

I had already given this advice to these gentlemen, urging that as the question had given rise to much excitement at Smyrna, I felt justified in the interest of the public peace even to order them not to run their boats for the present.

March 18.—I have learned from the Vali, who has just paid me a visit, that up to noon to-day he has received no further instructions. He informed me, however, that he has received inquiries from the Palace on the subject, and requesting him to report, which he has done in the sense of his telegram to the Minister of the Interior.

I have, &c.
(Signed) GEO. DENNIS.

No. 66.

The Earl of Dufferin to Earl Granville.—(*Received April* 9.)

(No. 71. Commercial.)
Constantinople, March 31, 1884.

My Lord,

WITH reference to my despatch No. 68, Commercial, of to-day's date, I have the honour to transmit herewith to your Lordship a copy of a despatch from Her Majesty's Consul at Smyrna reporting the circumstances under which the British tug-boats have resumed plying in the Gulf of Smyrna.

The affair of Mr. Hönisher's two steamers to which Mr. Dennis alludes in the concluding paragraph of his despatch as being still unsettled is one that is not connected with the general question of "cabotage." I am, however, pressing it at the Sublime Porte, and have every hope that it will be shortly settled in Mr. Hönisher's favour.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 66.

Consul Dennis to the Earl of Dufferin.

Smyrna, March 26, 1884.

My Lord,

I HAVE the honour to report that on the afternoon of Monday, the 24th, I received a visit from Armenac Effendi, Acting Political Secretary to the Government, to inform me that the Vali, in fulfilment of his promise to communicate to me immediately any instructions he might receive with regard to the British tug-boats, had sent him to let me know that he had just received a telegram ordering him to allow the boats to ply with passengers in the Gulf of Smyrna without any hindrance until the question pending between the Governments was settled. His Excellency sent me at the same time a most courteous message congratulating me on the agreeable character of the news he had to communicate, and expressing his satisfaction that the cause of the official disagreement between us had been happily removed.

I lost no time in imparting this pleasing intelligence to Mr. Joly, who determined to avail himself without delay of the liberty to ply, promising me, however, to avoid any step which would encourage excitement among the people, and to proceed quietly to work as if nothing unusual had happened. He kept his word, and suppressed all attempts at a demonstration, driving away a band of music with which his partizans had wished to celebrate the departure of the first boat. Thus all passed off without any disturbance or show of excitement.

I telegraphed at once to your Lordship:—

"The Vali having received orders to remove embargo from British tug-boats until settlement of the question, they have resumed plying this afternoon.—DENNIS."

I should have repeated this telegram to Lord Granville, but as Mr. Kennedy's note of the 12th instant had caused me to doubt if that step would meet with your Lordship's approval, I sent a second telegram to your Lordship, stating that I had not repeated the former to the Foreign Office, as I had received no instructions.

Late in the evening I had the honour to receive a telegram from your Lordship informing me that the Vali of Smyrna had received imperative orders to allow the British tug-boats to ply in the Gulf of Smyrna, and ordering me to report if matters had been satisfactorily arranged.

The only part of the question not yet settled is that relating to Mr. Hönisher's two boats, about which I had the honour to report to your Lordship in my despatches of the

15th and 20th September last, of the 11th October, and of the 7th February in the present year. The Captain of the Port continues to insist that the sale of these boats to Mr. Hönisher, which took place before the Tidjaret in September last, is not valid, and that the transfer must be made in his office. Mr. Hönisher is very willing to comply with any mere formalities in order to obtain registration of his vessels as British, and willing also to pay the legal fees, but objects to a second sale, as by such a step he would be acknowledging the illegality of the sale effected before the Tidjaret, and would vitiate his claim for indemnity for the embargo put upon his boats by the local authorities for the last six or seven months.

I have, &c.
(Signed) GEO. DENNIS.

No. 67.

Earl Granville to the Earl of Dufferin.

(No. 49. Commercial.)
Foreign Office, April 16, 1884.

My Lord,

I HAVE had under my consideration Mr. Consul Dennis' despatches to your Excellency of the 17th and 26th ultimo, of which copies are inclosed in your despatches Nos. 68 and 71, Commercial, dated the 31st March, respecting the recent interference with the freedom of navigation enjoyed by British coasting-vessels at Smyrna; and I have to request that your Excellency will convey to Mr. Dennis my approval of his proceedings in connection with this matter.

I am, &c.
(Signed) GRANVILLE.

No. 68.

The Earl of Dufferin to Earl Granville.—(*Received April* 23.)

(No. 76. Commercial.)
Constantinople, April 6, 1884.

My Lord,

I HAVE the honour to transmit to your Lordship a note which I have received from the Porte, in which the Minister for Foreign Affairs announces the fact of the re-establishment at Smyrna of the service of the English coasting-steamers on its former footing, coupled with an assurance that the authorities who interfered with our ships have been severely reprimanded, as well as with the expression of his Excellency's profound regret at the incident. As I have reason to know that effectual steps had been taken to comply with the verbal representations I had made relative to this subject before my last note to the Porte (transmitted to your Lordship in my despatch No. 62, Commercial, of the 24th March) had been delivered, though at the time I was not certain of the fact, I have informed Aarifi Pasha that he may consider my demand for an indemnity to the Company as "non avenue."

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 68.

Aarifi Pasha to the Earl of Dufferin.

Sublime Porte, le 25 *Mars*, 1884.

M. l'Ambassadeur,

A LA suite des communications verbales de votre Excellence, la Sublime Porte a donné au Gouverneur-General du Vilayet d'Aïdin l'ordre de permettre jusqu'à nouvel avis aux steamers battant pavillon Anglais de reprendre leur service dans le Golfe de Smyrne.

En portant ce qui précède à la connaissance de votre Excellence, je ne puis que regretter profondément l'incident auquel cette question a donné lieu, et qui a provoqué une reprimande à l'adresse des autorités pour n'avoir pas procédé dans des formes plus conciliantes.

Veuillez, &c.
(Signé) A. AARIFI.

No. 69.

The Earl of Dufferin to Earl Granville.—(Received April 23.)

(No. 78. Commercial.)
Constantinople, April 10, 1884.

My Lord,

I HAVE now the honour to inclose, for your Lordship's information, copy of a note received from the Porte, in which the Minister for Foreign Affairs declares that his Government adheres to the views set forth in its previous note of the 20th September on the same subject—a communication which I need not remind your Lordship was conclusively and exhaustively dealt with in my note of the 4th December, inclosed to your Lordship in my despatch No. 357 of the 13th December.

Under the circumstances, the best course, I think, will be not to take any notice of the Porte's present note, as I do not apprehend they will again try to interfere with the Smyrna "cabotage." Should they subsequently draw my attention to the note now inclosed, I will reply to it in the sense already recommended to your Lordship in regard to their previous note.

I have, &c.
(Signed) DUFFERIN.

Inclosure in No. 69.

Aarifi Pasha to the Earl of Dufferin.

Sublime Porte, le 8 Avril, 1884.

M. l'Ambassadeur,

J'AI eu l'honneur de recevoir la note que votre Excellence a bien voulu m'adresser en date du 4 Décembre, relativement à la question du droit de cabotage dans les eaux intérieures de l'Empire Ottoman.

La Sublime Porte a examiné avec la plus grande attention les arguments énoncés par votre Excellence à l'appui de la manière de voir de son Gouvernement. Comme, cependant, des dispositions invoquées portent modification aux principes du droit commun, en vertu duquel le service côtier est, en général, réservé à la marine nationale, le Gouvernement Impérial est toujours d'opinion que, d'après une règle constamment suivie du droit des gens, ces dispositions doivent être interprétées dans un sens restrictif et ne comportent pas la signification étendue qui leur est attribuée dans la note précitée.

Le Ministère des Affaires Etrangères se croit donc en droit de ne pas se départir des conclusions de sa note du 20 Septembre, qu'il recommande de nouveau à la bienveillante et sérieuse attention du Gouvernement de Sa Majesté Britannique.

Quant à l'idée d'élaborer un règlement qui serait applicable aux navires étrangers faisant un service sur le littoral, cela ne constituerait pas, aux yeux de la Sublime Porte, un remède suffisamment efficace aux inconvénients qui subsistent. Puisque le Gouvernement de Sa Majesté Britannique veut bien reconnaître au Gouvernement Ottoman son droit d'exercer un contrôle sur le service des passagers dans les eaux intérieures, le Ministère Impérial estime que l'exercice de ce contrôle, ainsi que celui de la police maritime sur terre peuvent se faire sans qu'il soit besoin d'arrêter de nouveaux arrangements qui ne répondraient pas aux exigences que l'ensemble de la situation lui paraît de nature à nécessiter.

En soumettant les considérations qui précèdent à la judicieuse appréciation de votre Excellence, j'aime à espérer que, dans ses sentiments d'équité, elle voudra bien en reconnaître la justesse.

Veuillez, &c.
(Signé) A. AARIFI.

No. 70.

Earl Granville to the Earl of Dufferin.

(No. 52. Commercial.)
Foreign Office, April 28, 1884.

My Lord,

I CONCUR in the opinion expressed in your Excellency's despatch No. 78, Commercial, of the 10th instant, that it is not necessary to discuss further with the Porte the case of the English coasting-steamers at Smyrna.

I am, &c.
(Signed) GRANVILLE.

No. 71.

Earl Granville to the Earl of Dufferin.

(No. 53. Commercial.)
Foreign Office, April 28, 1884.

My Lord,

I APPROVE your Excellency's proceedings in the case of the English coasting-steamers at Smyrna, as reported in your despatch No. 76, Commercial, of the 9th instant.

I am, &c.
(Signed) GRANVILLE.

No. 72.

Earl Granville to Musurus Pasha.

Foreign Office, April 29, 1884.

M. l'Ambassadeur,

I BEG to repeat to your Excellency that Her Majesty's Government receive with satisfaction the verbal explanations given by you on the 24th instant with regard to the recent interference by the local authorities at Smyrna with British coasting-steamers.

I beg now to inform your Excellency that despatches have been received from the Earl of Dufferin, by which it appears that this incident has been settled by communications which have passed between Her Majesty's Embassy and the Porte.

I have, &c.
(Signed) GRANVILLE.

No. 73.

The Earl of Dufferin to Earl Granville.—(Received June 18.)

(No. 111. Commercial.)
Constantinople, June 7, 1884.

My Lord,

IN my despatch No. 71, Commercial, of the 31st March last, in which I forwarded to your Lordship a copy of Mr. Dennis' despatch No. 16 of the 26th March, I mentioned to your Lordship that the affair of Mr. Hönisher's steamers, to which Mr. Dennis alluded, was being pressed at the Sublime Porte by Her Majesty's Embassy, and that I had strong hopes that the matter would shortly be settled in Mr. Hönisher's favour.

In consequence of my representations, the Sublime Porte recently sent the necessary orders to the Smyrna authorities, and Mr. Dennis now reports that on the 24th ultimo the required legal formalities were concluded, and Mr. Hönisher's steamers duly registered as British.

I have, &c.
(Signed) DUFFERIN.

No. 74.

Musurus Pasha to Earl Granville.—(Received July 1.)

Ambassade Impériale Ottomane, Londres, le 30 Juin, 1884.

Milord,

JE n'ai pas manqué de transmettre au Gouvernement Impérial la note que votre Excellence a bien voulu m'adresser en date du 29 Avril dernier, pour m'informer qu'il paraissait résulter des dépêches que votre Excellence avait reçues du Comte de Dufferin que l'incident de Smyrne avait été réglé par des communications échangées entre la Sublime Porte et l'Ambassade Britannique.

Son Excellence Assim Pacha m'a fait savoir en réponse que la Sublime Porte, considérant que les mesures dont se plaignaient les propriétaires des steamers Anglais, qui ne sont que de simples remorqueurs, et qui se livraient au transport des passagers dans le Port de Smyrne, avaient été prises par les autorités Impériales de ce port sans qu'il en eût été donné avis préalable au Consulat Britannique, avait, par déférence amicale envers le Gouvernement de Sa Majesté la Reine, donné au Gouverneur-Général d'Aïdin l'ordre de permettre, jusqu'à nouvelles instructions, aux susdits steamers de reprendre ce

transport; mais que, comme cette permission était provisoire et avait pour but de laisser au Gouvernement Impérial le temps d'expliquer à celui de Sa Majesté la Reine les raisons qui nécessitaient la suppression d'une telle navigation, j'étais chargé de soumettre ces explications à votre Excellence, en vue de bien convaincre le Gouvernement de Sa Majesté Britannique du droit incontestable de la Sublime Porte dans cette question, et pour que le Firman Impérial confiant à une Compagnie indigène le service exclusif du transport des passagers dans le Port de Smyrne fût mis à exécution, sans discussions ultérieures et de façon à écarter tout froissement regrettable entre les deux Gouvernements.

En m'acquittant par la présente communication des instructions de mon Gouvernement, je me crois dispensé de discuter ici soit la question du commerce côtier, soit celle du traitement de la nation la plus favorisée, soit le droit qu'aurait toute Puissance étrangère en s'appuyant sur ce traitement d'invoquer en faveur de ses sujets les Articles des Traités de Commerce de la Belgique et de la Grèce avec la Sublime Porte, relatifs à la navigation côtière, et stipulant expressément la condition de stricte réciprocité.

Je me borne à constater que la Concession accordée par Firman Impérial à la Compagnie de Navigation à Vapeur de Smyrne est fondée sur un droit inhérent au pouvoir souverain de tout Etat indépendant, et dont aucun Traité, aucun Acte Public, n'interdit l'exercice à la Sublime Porte, ni ne le subordonne à une consultation avec une Puissance étrangère.

En effet, tout Gouvernement, soucieux du bien-être de ses administrés, se fait un devoir et tient à honneur de favoriser et d'encourager des entreprises ayant pour but l'intérêt public, et d'établir dans ses eaux et sur son littoral, soit pour son compte, soit par des Concessions à des Compagnies indigènes, des lignes de communication à vapeur, en prenant soin, d'une part, d'assurer la solidité de construction et les accommodements des steamers de ces lignes pour la sécurité et le confort des passagers, d'en fixer les heures de départ et d'arrivée et de veiller à ce que les prix de trajet soient modérés et raisonnables et qu'il ne se produise pas pendant ces trajets des actes abusifs contre la loi et les règlements de police, et en défendant, d'autre part, une concurrence qui préjudicierait aux intérêts légitimes de la Compagnie concessionnaire et compromettrait fatalement le succès de l'entreprise.

C'est en vertu de ce droit et dans ces prévisions que la Sublime Porte a concédé par Firman Impérial à une Compagnie indigène le service exclusif de transport des passagers dans le port et le Golfe de Smyrne.

Cette Concession, découlant de l'exercice d'un droit souverain incontestable, ne peut nullement être confondue avec le commerce côtier, ni donner, par conséquent, lieu à une réclamation basée sur le traitement de la nation la plus favorisée, car les sujets de la Belgique et de la Grèce ne sauraient, en s'attribuant, en vertu des Articles précités de leurs Traités, la condition des sujets Ottomans, invoquer ces Articles pour prétendre faire concurrence à une Compagnie concessionnaire d'une ligne de navigation établie par Firman Impérial, par la raison que les sujets Ottomans eux-mêmes n'ont pas droit à une telle concurrence.

Lord Dufferin, dans sa note du 4 Décembre de l'année dernière, fait observer qu'il a été permis aux steamers Anglais de transporter des passagers d'un port Ottoman à un autre dans le Danube, la Mer de Marmara, et les Dardanelles. Mais, ci cette navigation a été permise par tolérance aux steamers étrangers, c'était en l'absence dans les eaux susmentionnées de steamers Ottomans ou d'une Compagnie privilégiée, et parce que la Sublime Porte agirait contre ses sentiments de sollicitude pour ses peuples-ci, par cela seul que la navigation intérieure appartient de droit aux sujets de l'Empire, elle s'avisait de défendre à ces derniers de profiter des avantages que leur offrait la présence des steamers étrangers.

Pour bien prouver combien le droit du Gouvernement Impérial dans l'incident de Smyrne est incontestable, et à quel point il a été déjà reconnu comme tel par le Gouvernement même de Sa Majesté la Reine, je n'ai qu'à citer le précédent de la Compagnie de Chirket-i-Khaïrié, chargée du service exclusif du transport des passagers dans le Bosphore. Avant l'établissement de cette Compagnie, des bateaux à vapeur Anglais faisaient dans le Bosphore, pendant plusieurs années, le service de ce transport; lors de la création de la dite Compagnie, les propriétaires de ces bateaux firent la même opposition que celle que font aujourd'hui les rémorqueurs Anglais à Smyrne; ces plaintes furent portées à la connaissance du Gouvernement de Sa Majesté la Reine, qui n'hésita pas à reconnaître les droits souverains de la Sublime Porte; les réclamations des intéressés Anglais furent complètement écartées; la Compagnie actuelle (de Chirket-i-Khaïrié fut établie, et elle fonctionne depuis son établissement pour le bien et à la grande satisfaction des habitants indigènes et étrangers de Constantinople.

La Sublime Porte ne doute point que le Gouvernement de Sa Majesté la Reine, toujours animé des mêmes principes d'équité et des mêmes sentiments d'amitié pour l'Empire Ottoman, n'agisse de même dans la circonstance actuelle, et ne s'empresse de faire cesser les difficultés élevées par les propriétaires Anglais des steamers remorqueurs de Smyrne.

Si je me vois obligé de prier votre Excellence de vouloir bien hâter un résultat si conforme à la justice et aux principes du droit international, c'est parce que la Compagnie concessionnaire de navigation de Smyrne, qui a avancé des capitaux considérables pour son établissement et pour la construction de ces bateaux à vapeur, reclame en ce moment du Gouvernement Impérial de grosses indemnités pour les pertes qui lui sont occasionnées par les retards apportés à l'exercice de ses droits, garantis par Firman Impérial.

Dans le ferme espoir de recevoir bientôt de votre Excellence une réponse satisfaisante sur cette importante question, je saisis, &c.

(Signé) MUSURUS.

Minutes by Sir E. Hertslet.

I am sorry these papers were not sent to me before I left the Office for my holidays, as I find it very difficult to express an opinion upon them in the country, where I have no books or notes of any kind to refer to. Moreover, my two Memoranda on the subject (which are in print) have not been sent to me with M. Musurus' note of the 30th June, which I now see for the first time.

It appears to me, however, that Her Majesty's Government would be perfectly justified in adhering to the course which they have hitherto adopted, and in replying to the present note from M. Musurus in the sense of the note which was addressed by Lord Dufferin to the Porte on the 8th December last.

I think this because the case of the Bosphorus (quoted by the Porte) does not run on all fours with the Smyrna case, inasmuch as the British steamers at the latter place would *appear* to ply beyond what can fairly be designated "the port of Smyrna," although I have never seen any Report in which the limits of that port have been actually defined.

Moreover, the Sultan has engaged by his Treaties with foreign Powers to abolish all monopolies (with the exception of tobacco and salt), and, although I have no Treaties here to refer to, I think it will be found that they include matters of navigation as well as commerce.

Should I be correct in this supposition, it might, perhaps, be used as an additional argument, if it has not been made use of.

(Signed) E. HERTSLET.

Festiniog, North Wales, August 26, 1884.

Musurus Pasha says in his note of the 30th June that the British Government admitted some years back the right of the Porte to grant an exclusive Concession to a Turkish Company to carry passengers on the Bosphorus, and that the claims of British subjects who had previously carried on the transport service, and who claimed compensation for the losses which they had sustained, were "complètement écartées." This, however, does not quite tally with the record of what passed on that occasion as it exists in our Archives.

It is quite true that the Porte did grant an exclusive Concession to a Turkish Company, and that, although the British Government at first protested against it, and asked the Porte whether the establishment of such a Company, with exclusive privileges, was consistent with the engagements with regard to *monopolies* which it had contracted with foreign Powers (to Colonel Rose, 17th January, 1853), it refused to yield; but it nevertheless appears from a despatch which was received from Colonel Rose at the time (No. 56, 16th February, 1853) that the Porte consented to make the following concessions: to *indemnify the owners of British steamers* on their ceasing to ply for passengers on the Bosphorus, and to allow their steam-boats the useful and lucrative employment of towing merchant-vessels in the whole line of straits from the Mediterranean to the Black Sea; and that it was upon this understanding that the Porte was informed that the British Government would not depart from the engagement entered into by Lord Russell in his despatch of January 1853, to offer no further opposition to the enforcement of the

prohibition in the case of British steamers, *provided* that the prohibition was applied generally and indiscriminately to the steamers of all other Powers whatever; whilst Colonel Rose was, at the same time, desired to take care that the true meaning and extent of "Bosphorus passenger traffic" were defined, that a reasonable *indemnity* for the loss of the passenger traffic was granted to the owners of British steamers who would be affected by the prohibition, and that the right of towing merchant-vessels through the whole extent of the water communication between the entrance of the Dardanelles on the side of the Archipelago and the entrance of the Bosphorus on the side of the Black Sea, or in any part thereof, was effectually secured to British steam-vessels of all descriptions.

As no further correspondence passed upon the subject at that time, it has hitherto been assumed that these conditions were fulfilled, and that the owners of British steamers were duly compensated. At any rate, it would appear that the Porte offered to indemnify them for their losses, and that the British Government only consented to recognize the grant of an exclusive Concession to a Turkish Company on the distinct understanding that British subjects should receive a reasonable indemnity.

Consul Dennis thinks they may have been bought up by the native Company.

Musurus Pasha then proceeds to state that the case of Smyrna is precisely similar to that of the Bosphorus; but the sole reason why the British Government gave way in the case of the Bosphorus was because there were, in the opinion of the Queen's Advocate, "such peculiar circumstances in the character of the channel of the Bosphorus as might justify the Porte in its claim to make a distinction with regard to it," since the Porte maintained that the Bosphorus, including Constantinople and all the straits of the Black Sea, was *one port*. This can scarcely, however, be said to be the case with regard to Smyrna. I have not before me a copy of the Concession which has been granted to the Turkish Company to carry passengers in the port or Gulf of Smyrna; but I observe that Musurus Pasha speaks in one part of his present note of the "Port de Smyrne," and in another of "le port et le Golfe de Smyrne." The difference is important; for if the Concession has only been granted for the *port* of Smyrna, there may be something in the argument that the case of the Bosphorus forms a precedent for the Smyrna case, so far as the *port* of Smyrna is concerned; but I think it is more probable that the Concession has been granted for the port *and gulf*, and, if so, the Bosphorus case could scarcely be quoted as a precedent, since the gulf is 40 miles long and 13 miles wide; and the Porte itself speaks of the *port* and *gulf* as if they were quite distinct from each other.

Now, it appears from Consul Dennis' despatch of the 4th October, 1883, that Messrs. Joly, Victor, and Co.'s eight boats run "at short intervals throughout the day to Cordelio and Ghinz-tépé *within the port* of Smyrna; daily also to Vourlah *in the gulf*; twice a-week to Scio and Chesmé; and once a-week to Phokea, Mitylene, Aivali, Samos, and Scala Nuova." It will therefore be seen that their traffic is not confined to the *port* of Smyrna, and in order to prove that the Bosphorus case does not apply to Smyrna, I think Musurus Pasha might be reminded of the fact that, although the British Government in 1853 consented on certain conditions to respect the exclusive privilege which had been granted to a Turkish Company to carry passengers on the Bosphorus, because it was considered a Turkish port, yet that when the Porte in June 1860 denied the right of an English tug-boat to ply for passengers between Constantinople and Kadi-Keui (a village not within the Bosphorus, but in the Sea of Marmora), Sir H. Bulwer reported that he was resolved to see the dispute to which this action had given rise duly and promptly determined, and that "unless the Sublime Porte could show him any Regulation duly notified to Her Majesty's Government, *and concurred in by it*, that would prevent a British vessel plying between Constantinople and Kadi-Koui, he should expect the order which had been issued to be at once rescinded, and would hold the Ottoman Government responsible for any damage which was improperly inflicted on the owners of the vessel in question."

I think it right, however, to add that Sir H. Bulwer did not report how the matter really ended, and I think, therefore, that Lord Dufferin should be requested to ascertain for certain what was done before laying too much stress upon the point; but in order not to incur the delay which would be occasioned in referring the matter again to Constantinople, perhaps it would be sufficient for the present purpose to inform Musurus Pasha in general terms that, although the British Government have agreed to consider the Bosphorus a Turkish port, they have not consented to include places outside the Bosphorus as being included within that definition, and that they cannot therefore consent to admit that places within and without the Bay of Smyrna are included within the definition of the term "port of Smyrna."

(Signed) E. HERTSLET.

Richmond, September 4, 1884.

No. 75.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, July* 5, 1884.

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 30th ultimo on the subject of the rights of certain British steamers in connection with the Smyrna coasting trade, and, in reply, to inform your Excellency that your note will at once be taken into consideration by Her Majesty's Government.

I have, &c.
(Signed) GRANVILLE.

No. 76.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, October* 3, 1884.

ON the 5th July I had the honour to acknowledge the receipt of your Excellency's note of the 30th of the previous month, relative to the right of British ships to carry passengers at Smyrna. Her Majesty's Government have carefully considered the arguments put forward by your Excellency in that note, but they are unable to acknowledge that the precedent of the Bosphorus is applicable to Smyrna. For although Her Majesty's Government have agreed to consider the Bosphorus as an Ottoman port, they have not consented to include places outside the Bosphorus as being included in that definition, and similarly they cannot consent to admit that places within and without the Bay of Smyrna are included within the definition of the term "port of Smyrna."

I have, &c.
(Signed) GRANVILLE.

No. 77.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, October* 21, 1884.

WITH reference to the conversations which took place between your Excellency and Lord Edmond Fitzmaurice on the 14th and 15th instant respecting the passenger traffic in the port and Gulf of Smyrna, I have the honour to inform your Excellency that Her Majesty's Government are carefully considering this matter in consultation with the Law Officers of the Crown, and that a further communication will shortly be addressed to your Excellency thereupon.

I have, &c.
(Signed) GRANVILLE.

No. 78.

Sir J. Pauncefote to the Law Officers of the Crown and Dr. Deane.

Gentlemen, *Foreign Office, November* 28, 1884.

I HAVE the honour to transmit to you, by direction of the Secretary of State, the papers noted in the accompanying list, which relate to the right of British vessels to participate in the coasting trade of the Ottoman Empire, and more particularly to carry passengers in the Gulf of Smyrna.

British vessels had long engaged in this traffic, when an attempt was made by the Ottoman authorities to stop it by force; but on representations being made to the Porte by Her Majesty's Ambassador at Constantinople, the Governor-General of Aidin was instructed to permit the British vessels to run as usual, and the Ottoman Government expressed their regret that the incident should have arisen. (See Lord Dufferin's despatch No. 76, Commercial, 6th April, 1884.)

But it appeared from the note of the 30th June last from the Ottoman Ambassador at this Court that the Porte had given these orders provisionally only, so that it might explain to Her Majesty's Government the grounds on which it claimed for the Imperial Government the right to prohibit the British steamers from engaging in the passenger traffic in the port and Gulf of Smyrna, and to grant a monopoly thereof to an Ottoman Company.

His Excellency Musurus Pasha was then informed generally that Her Majesty's Government could not concur in the arguments he had put forward. (See draft to him of the 3rd October, 1884.)

His Excellency then called at this Office and expressed a wish that a more detailed reply might be given to his note, and the draft marked "A" has now been prepared, and I am to request you to favour Lord Granville with your opinion as to whether you concur in its terms.

For information in regard to the right generally of British subjects to engage in the coasting trade of the Ottoman Empire, and in regard to the case of the British vessels which at one time carried passengers in the Bosphorus, I am to refer you to Sir E. Hertslet's Memorandum of the 28th November, 1872, at the end of which will be found extracts from the Treaties bearing on the question, and his further Memorandum of the 16th July, 1883, and the legal opinions thereto annexed.

I am to request that you will take the papers transmitted herewith into your consideration, and that you will favour Lord Granville with your opinion on the questions submitted in this letter, and with any general observations which you may have to offer on the case.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

List of Papers.

To Colonel Rose (Constantinople), No. 12, January 17, 1853.
To Sir H. Elliot, No. 80, Commercial, December 23, 1872.
Memorandum by Sir E. Hertslet, November 28, 1872; appended to which will be found the extracts from the Treaties between Turkey and foreign Powers bearing on the question. Confidential No. 2575.
Mr. Goschen, No. 27, Commercial, April 18, 1881.
To Mr. Goschen, No. 38, Commercial, April 28, 1881.
Lord Dufferin, No. 65, Commercial, July 17, 1881.
To Lord Dufferin, No. 72, Commercial, July 28, 1881.
Mr. Wyndham, No. 17, Commercial, January 27, 1883.
To Mr. Wyndham, Nos. 22 and 52, Commercial, February 10 and March 6, 1883.
Consul Dennis, Nos. 4 and 7, Commercial, June 1 and June 9, 1883.
Mr. Wyndham, No. 158, Commercial, June 22, 1883.
To Mr. Wyndham, No. 96, Commercial, June 29, 1883.
Mr. Wyndham, Nos. 156, 167, and 171, Commercial, June 29, 29, and 30, 1883.
Memorandum by Sir E. Hertslet, July 16, 1883; Confidential No. 4793; appended to which will be found the Reports from the Law Officers on the subject of the Ottoman coasting trade.
To Mr. Wyndham, No. 122 A, Commercial, July 31, 1883.
Mr. Wyndham, Nos. 226, 227, 247, and 264, Commercial, July 26, July 26, August 10, and August 22, 1883.
To Mr. Wyndham, No. 154, Commercial, September 4, 1883.
Consul Dennis, No. 10, Commercial, August 31, 1883; ditto, Telegraphic, September 13, 1883.
Mr. Wyndham, Nos. 272, 278, and 281, Commercial, August 30, September 3, and September 5, 1883.
To Mr. Wyndham, No. 161, Commercial, September 17, 1883.
To Consul Dennis, No. 1, Commercial, September 19, 1883.
To Mr. Wyndham, No. 165, Commercial, September 19, 1883.
Mr. Wyndham, Nos. 301, 309, and 312, Commercial, September 20 and 22, 1883.
To Lord Dufferin, Nos. 176 and 177, Commercial, October 2, 1883.
Consul Dennis, No. 11, Commercial, October 4, 1883.
Lord Dufferin, No. 320, Commercial, October 17, 1883.
Memoranda by Sir E. Hertslet, October 25 and 28, 1883.
To Lord Dufferin, Nos. 201 and 205, Commercial, November 21, 1883.
To Consul Dennis, No. 2, Commercial, November 21, 1883.
Lord Dufferin, No. 357, Commercial, December 13, 1883.
To Lord Dufferin, No. 231, Commercial, December 24, 1883.
Lord Dufferin (Telegraphic), March 2, 1884.
To Lord Dufferin, No. 27, Commercial, March 3, 1884; ditto (Telegraphic), March 4, 1884; ditto, Nos. 36, 37, 38, and 39, Commercial, February 25, March 1, and March 4, 1884.
Consul Dennis (Telegraphic), March 11, 1884.
Lord Dufferin, No. 46, Commercial, March 7, 1884; ditto (Telegraphic), March 12, 1884.
To Lord Dufferin, No. 30, March 12, 1884.
Lord Dufferin, Nos. 41, 42, and 50, Commercial, March 2, 4, and 11, 1884.
Consul Dennis (Telegraphic), March 17, 1884.
To Lord Dufferin, Nos. 33 and 34, Commercial, March 18, 1884.
Consul Dennis, No. 13, March 11, 1884.
Lord Dufferin, No. 58, Commercial, March 18, 1884; ditto (Telegraphic), March 25, 1884; ditto, No. 61, Commercial, March 12, 1884.
To Lord Dufferin, No. 37, Commercial, March 27, 1884.
Lord Dufferin, No. 62, Commercial, March 24, 1884.
To Lord Dufferin, No. 41, Commercial, April 1, 1884.
Lord Dufferin, Nos. 68, 68, and 71, Commercial, March 25 and 31, 1884.
To Lord Dufferin, No. 49, Commercial, April 16, 1884.
Lord Dufferin, Nos. 76 and 78, Commercial, April 6 and 10, 1884.
To Lord Dufferin, Nos. 52 and 53, Commercial, April 28, 1884.
To Musurus Pasha, April 29, 1884.
Lord Dufferin, No. 111, Commercial, June 7, 1884.
Musurus Pasha, June 30, 1884; with a Memorandum thereon by Sir E. Hertslet, respecting the case of the British steamers which at one time carried passengers on the Bosphorus.
To Musurus Pasha, July 5, October 3 and 21.

No. 79.

The Law Officers of the Crown and Dr. Deane to Earl Granville.—(*Received December 26.*)

My Lord, *Royal Courts of Justice, December 23, 1884.*

WE are honoured with your Lordship's commands signified in Sir Julian Pauncefote's letter of the 28th ultimo, stating that he was to transmit to us the papers relating to the right of British vessels to participate to carry passengers in the Gulf of Smyrna.

That British vessels had long engaged in that traffic when an attempt was made by the Ottoman authorities to stop it by force, but, on representations being made to the Porte by Her Majesty's Ambassador at Constantinople, the Governor-General of Aidin was instructed to permit the British vessels to run as usual, and the Ottoman Government expressed their regret that the incident should have arisen. (Lord Dufferin's despatch No. 76 of the 6th April.)

But that it appeared from the note of the 30th June last from the Ottoman Ambassador at this Court that the Porte had given those orders provisionally only, so that it might explain to Her Majesty's Government the grounds on which it claimed for the Imperial Government the right to prohibit the British steamers from engaging in the passenger traffic in the port and Gulf of Smyrna, and to grant a monopoly thereof to an Ottoman Company.

That his Excellency Musurus Pasha was then informed generally that Her Majesty's Government could not concur in the arguments he had put forward (see draft of the 3rd October, 1884). That his Excelledey then called at the Foreign Office and expressed a wish that a more detailed reply might be given to his note, and that the draft (A) had been prepared, and that Sir J. Pauncefote was to request our opinion as to whether we concurred in its terms.

That the information in regard to the right generally of British subjects to engage in the coasting trade of the Ottoman Empire, and in regard to the case of the British vessels which at one time carried passengers in the Bosphorus, we were referred to Sir E. Hertslet's Memorandum of the 28th November, 1872, at the end of which would be found extracts from the Treaties bearing on that question, and his further Memorandum of the 16th July, 1883, and the legal opinions thereto annexed.

That Sir Julian Pauncefote was to request that we would take the papers transmitted into our consideration, and that we would favour your Lordship with our opinion on the questions submitted in that letter, and with any general observations we might have to offer on the case.

In obedience to your Lordship's commands we have the honour to report—

That we concur in the terms of the draft marked (A). We have, however, to suggest the substitution of the words "by Treaty" for the words "by the XLIst Article of the Capitulations." If the right rested only on the terms of that Article it would be open to much controversy.

We have, &c.
(Signed) HENRY JAMES.
FARRER HERSCHELL.
J. PARKER DEANE.

Annex.

Draft of Letter (A.) from Earl Granville to Musurus Pasha.

(A.)
M. l'Ambassadeur, *Foreign Office,* , 1884.

FROM the conversations which took place between your Excellency and Lord E. Fitzmaurice on the 14th and 15th instant, and the explanations which your Excellency then gave of the contents of your note of the 30th June last in regard to the passenger traffic in the port and Gulf of Smyrna, I gather that the Sublime Porte lays especial stress on the view which is urged in that part of the above-mentioned note in which your Excellency says:—

"I consider myself under no present obligation to discuss either the question of the coasting trade, or that of the right of Great Britain to most-favoured-nation treatment, or the right to which any foreign Power might be entitled, by basing itself upon that right, to claim for its subjects the benefit of the Articles of the Treaties of Commerce made by

Belgium and Holland with the Sublime Porte in regard to the coasting trade, which Treaties covenanted expressly for reciprocity.

"I confine myself to putting on record that the Concession accorded by Imperial Firman to the Smyrna Steam Navigation Company is founded on a right inherent in the Sovereign Power of every independent State, and of which no Treaty and no State Paper interdicts the exercise by the Sublime Porte or subordinates, to consultation with any foreign Power . . . . It is in virtue of this right, and within its limits, that the Sublime Porte has conceded by Imperial Firman to a native Company a monopoly of the passenger traffic in the port and Gulf of Smyrna."

In conversation your Excellency urged that a right to grant monopolies similar to that now contended for by the Sublime Porte, in the passage I have just quoted, was claimed and exercised by Her Majesty's Government, and you instanced the case of private Acts of Parliament, which, you argued, gave monopolies to Companies to perform the traffic between particular places. I desire at once to point out to your Excellency that such a view of the private legislation of Parliament is not one which would be accepted in this country.

Monopolies have long since been abolished in England, and are alien to the spirit of our laws.

When an Act of Parliament gives the right to a Company to perform a particular service, it does not grant a monopoly to that Company, neither would Parliament be estopped from granting to another Company the right to perform an analogous service as soon as it could be shown that such a concession would be to the public advantage.

But even were Parliament to grant a monopoly, it would certainly not be one which would conflict with the Treaty rights of foreigners.

The contention of your Excellency, therefore, that the Porte are only claiming for His Imperial Majesty the Sultan a right to grant monopolies which is exercised in this country by Parliament cannot be supported.

Her Majesty's Government have never denied the right inherent in the Sovereign Power of every independent State, as regards the grant of monopolies, to which your Excellency appeals, provided such grant did not invalidate any Treaty right; and this brings me to the important statements in your Excellency's note that the right claimed by the Porte to grant the monopoly in question is not affected by Treaty or other obligation towards foreign Powers; and further, that the right contended for was admitted by Her Majesty's Government in 1853 in the case of the Chirket-i-Khairie Company, to which exclusive power was granted to carry passengers in the Bosphorus.

On those two points I regret to say, M. l'Ambassadeur, that we are entirely at issue.

Her Majesty's Government have invariably maintained that the right to carry passengers between Turkish ports was secured to British vessels by the XLIst Article of the Capitulations. That right has been confirmed by long enjoyment, and indeed the Porte has not only acquiesced in it, but on the occasion of the correspondence relating to the passenger traffic in the Bosphorus, to which your Excellency refers, the Porte expressly admitted that "British vessels had a right to carry passengers from one Turkish port to another in the Danube, the Sea of Marmora, and the Dardanelles, but not in the Bosphorus, on the ground that the Bosphorus, including Constantinople and all the straits of the Black Sea, was one port; and that therefore these Bosphorus boats, being like 'caïques,' omnibuses, and hackney coaches, ought to be under the control of the police."

Her Majesty's Government did not admit the arguments, but owing to the particular circumstances of the locality in question, they offered no further opposition, providing no injury was inflicted on British subjects, and on certain other conditions which were clearly laid down at the time, and which had reference to the true meaning and extent of the "Bosphorus passenger traffic," and to the application of the same prohibition to all foreign vessels of whatever nationality.

The case of the Bosphorus, or port of Constantinople, has therefore no analogy to that of the Gulf of Smyrna, and any attempt to interfere with the passenger traffic of British vessels between Turkish ports or places in that gulf or along the Ottoman coasts would, in the opinion of Her Majesty's Government, constitute a violation of the rights of this country and of the other Powers, founded on the Capitulations, on prescription, and on the express provisions of certain Treaties of the Porte with Greece and Belgium to which your Excellency refers in your note of the 30th June, and of which the benefit is claimed by Great Britain under its right to most-favoured-nation treatment.

In the course of our conversation your Excellency alluded to the fact that it was not unusual for one country, in concluding a Treaty of Commerce and Navigation with another country, to insert a clause expressly reserving its coasting trade; but your Excellency is

well aware that, where no such reservation has been made, it has been held that the coasting trade was open, or, in other words, was included in whatever privileges of navigation may have been conceded by such Treaty; and no such reservation has ever been made in the Treaties concluded between this country and the Porte.

As regards the effect of those Treaties, I can only express my entire concurrence in the views which are set forth with great clearness in Lord Dufferin's note to his Excellency Aarifi Pasha of the 8th December, 1883.

With respect to the general question of monopolies, there can be no doubt that they are opposed to the spirit of the commercial engagements of Turkey towards foreign Powers.

By the laws of the Ottoman Empire the State reserves to itself, as is well known, a monopoly in regard to the manufacture of salt, powder, and tobacco, and also in regard to the sale of stamps, and such monopolies do not infringe any Treaty rights. But no mention is made of other monopolies, and this is the first time that an attempt has been made by the Porte to increase its revenue by the sale of monopolies intended to deprive foreigners in Turkey of the right to continue a trade in which they have invested a large capital, and which they have carried on for many years by usage and acquiescence, and, as I have shown, by right of Treaty.

The proposed monopoly of the passenger traffic in the Gulf of Smyrna to a Turkish Company is an innovation which strikes at the root of the commercial relations established *ab antiquo* between Turkey and the Powers of Europe, who are all equally interested in the question; and Her Majesty's Government are not prepared to waive the right they claim for British vessels to participate in the passenger traffic between Turkish ports until such claim shall have been shown to be unfounded, and is abandoned by all the other Powers concerned.

I have, &c.

No. 80.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, December 30, 1884.*

FROM the conversations which took place between your Excellency and Lord E. Fitzmaurice on the 14th and 15th October last, and the explanations which your Excellency then gave of the contents of your note of the 30th June last, in regard to the passenger traffic in the port and Gulf of Smyrna, I gathered that the Sublime Porte lays especial stress on the view which is urged in that part of the above-mentioned note in which your Excellency says:—

"I consider myself under no present obligation to discuss either the question of the coasting trade, or that of the right of Great Britain to most-favoured-nation treatment, or the right to which any foreign Power might be entitled by basing itself upon that right to claim for its subjects the benefit of the Articles of the Treaties of Commerce made by Belgium and Holland with the Sublime Porte in regard to the coasting trade, which Treaties covenanted expressly for reciprocity. I confine myself to putting on record that the Concession accorded by Imperial Firman to the Smyrna Steam Navigation Company is founded on a right inherent in the Sovereign Power of every independent State, and of which no Treaty and no State Paper interdicts the exercise by the Sublime Porte or subordinates, to consultation with any foreign Power. . . . . It is in virtue of this right, and within its limits, that the Sublime Porte has conceded by Imperial Firman to a native Company a monopoly of the passenger traffic in the port and Gulf of Smyrna."

In conversation your Excellency urged that a right to grant monopolies similar to that now contended for by the Sublime Porte, in the passage I have just quoted, was claimed and exercised by Her Majesty's Government; and you instance the case of private Acts of Parliament, which you argued gave monopolies to Companies to perform the traffic between particular places. I desire at once to point out to your Excellency that such a view of the private legislation of Parliament is not one which would be accepted in this country.

Monopolies have long since been abolished in England, and are alien to the spirit of our laws.

When an Act of Parliament gives the right to a Company to perform a particular service, it does not grant a monopoly to that Company; neither would Parliament be

estopped from granting to another Company the right to perform an analogous service as soon as it could be shown that such a concession would be to the public advantage.

But even were Parliament to grant a monopoly, it would certainly not be one which would conflict with the Treaty rights of foreigners.

The contention of your Excellency, therefore, that the Porte are only claiming for His Imperial Majesty the Sultan a right to grant monopolies which is exercised in this country by Parliament, cannot be supported.

Her Majesty's Government have never denied the right inherent in the Sovereign Power of every independent State, as regards the grant of monopolies, to which your Excellency appeals, provided such grant did not invalidate any Treaty right; and this brings me to the important statement in your Excellency's note that the right claimed by the Porte to grant the monopoly in question is not affected by Treaty or other obligation towards foreign Powers; and further, that the right contended for was admitted by Her Majesty's Government in 1853 in the case of the Chirket-i-Khaïrie Company, to which exclusive power was granted to carry passengers in the Bosphorus.

On those two points I regret to say, M. l'Ambassadeur, that we are entirely at issue.

Her Majesty's Government have invariably maintained that the right to carry passengers between Turkish ports was secured to British vessels by Treaty. That right has been confirmed by long enjoyment, and, indeed, the Porte has not only acquiesced in it, but on the occasion of the correspondence relating to the passenger traffic in the Bosphorus to which your Excellency refers, the Porte expressly admitted that "British vessels had a right to carry passengers from one Turkish port to another in the Danube, the Sea of Marmora, and the Dardanelles, but not in the Bosphorus, on the ground that the Bosphorus, including Constantinople and all the straits of the Black Sea, was one port; and that, therefore, these Bosphorus boats, being like 'caïques,' omnibuses, and hackney coaches, ought to be under the control of the police."

Her Majesty's Government did not admit the arguments, but owing to the particular circumstances of the locality in question, they offered no further opposition, provided no injury was inflicted on British subjects, and on certain other conditions which were clearly laid down at the time, and which had reference to the true meaning and extent of the "Bosphorus passenger traffic," and to the application of the same prohibition to all foreign vessels of whatever nationality.

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In the course of conversation your Excellency alluded to the fact that it was not unusual for one country, in concluding a Treaty of Commerce and Navigation with another country, to insert a clause expressly reserving its coasting trade; but your Excellency is well aware that, where no such reservation has been made, it has been held that the coasting trade was open, or, in other words, was included in whatever privileges of navigation may have been conceded by such Treaty; and no such reservation has ever been made in the Treaties concluded between this country and the Porte.

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ab antiquo between Turkey and the Powers of Europe, who are all equally interested in the question; and Her Majesty's Government are not prepared to waive the right they claim for British vessels to participate in the passenger traffic between Turkish ports until such claim shall have been shown to be unfounded, and is abandoned by all the other Powers concerned.

I have, &c.
(Signed) GRANVILLE.

Minutes.

I saw the Turkish Ambassador to-day, and replied to the principal argument of his note on the lines of my Memorandum inclosed. His only answer was that "monopoly" was absolutely necessary to the Turkish Company to insure solvency. He also insisted that the existing Company, "Messrs. Joly, Victor, and Co.," had no proper right to be there at all, and had no claim, either under a Concession or by prescription. They have exercised their trade for six years. (See Consul Dennis' despatch of the 4th October.)

I undertook to reply more fully to his note of the 1st July than had been done in the Foreign Office despatch of the 3rd October. This case seems to resemble that of the Tigris navigation.

In reply to my inquiry, he stated that his claims extended to the gulf as well as to the port of Smyrna.

October 15, 1884. E. F.

The point which we have to answer in Musurus' note is contained in the two paragraphs I have marked, and is this: that the Porte has the right to give a Concession to a particular Turkish Company to carry on a particular trade in a certain district, and having done so, to refuse to allow the competition of any other Company, Turkish or foreign, just, for example (to use the Turkish Ambassador's illustration in our conversation of yesterday), as Parliament might give a right to a Railway Company to carry goods between one place and another, and then refuse to give a similar right to another Company. This is ingenious. The answer, I think, is that the analogy fails because in this case Messrs. Joly, Victor, and Co. are the Company in possession, and therefore have an equitable right to whatever rights possession may give, and also because the English practice, though it might discourage competition in trade matters, does not do so as a matter of fact. You can go from London to Edinburgh by several routes, though no Parliament might, had it so chosen, have given a monopoly to the Great Northern.

October 15, 1884. E. F.

Musurus Pasha urged very strongly yesterday that, *if it could be possibly so managed*, Her Majesty's Government should write a *further* reply to his note without asking for an answer from him, and that then he should reply. He told me that his instructions were very decided, and that he wished to avoid having to act upon them if it could be avoided, in other words, he wished to gain time. On the other hand, as we are not going to give in, he will sooner or later have to act on his instructions. I suppose there would be nothing very irregular in sending a further reply, especially as our last despatch was short, and did not take the different points in his note, especially that to which I refer in my previous Minute.

October 16, 1884. E. F.

I concur.—J. P.

I am consulting Sir E. Hertslet about the engagements relating to monopolies. I suppose he refers to Article II of the Treaty of 1861 taken in connection with the Commercial Convention of the 16th August, 1838.

E. F.

Thanks.—J. P.

I think we should furnish Musurus Pasha with a fuller answer to his note of the 30th June, if he will give us the opportunity, by writing a rejoinder to our reply of the 3rd October.

I should be glad to know what are the "engagements with regard to monopolies" referred to by Sir E. Hertslet in p. 2 of his Minute of the 4th September. The question is one which concerns all the Powers, and it cannot be expected that we should yield our rights of coasting passenger traffic which has grown out of the coasting trade and has become part of it by prescription and sufferance.

As regards the right claimed by Turkey to grant monopolies because other Governments do, the argument is unsound, because other Governments are not restricted by the Capitulations in the exercise of their sovereign rights. By Article XXVII of our Capitulations a favourable interpretation is to be given to our privileges, which interpretation, coupled with long usage and acquiescence, seems to me fatal to the right now claimed by the Porte to deprive foreign ships of the coasting passenger traffic.

The boat traffic within the limits of Turkish ports is a distinct question.

Monopolies are illegal in Turkey if they in any way abridge our Treaty rights. (See Additional Capitulations of 1675 as to non-operation of Turkish Law repugnant to Capitulations); and if the Porte is under engagement not to grant monopolies, that is an additional argument against their present claim. This and the Tigris case are indicative of a set purpose to undermine the fabric of the Capitulations, and such attempts should be resisted, if possible in concert with the other Powers, or at all events we should not yield unless they are prepared to do so also.

J. P.

October 16, 1884.

In a Minute on the Turkish coasting trade by Sir J. Pauncefote, which I have had to return to him to-day with some other papers, he says: "I should be glad to know what are the engagements with regard to monopolies referred to by Sir E. Hertslet in p. 2 of his Minute of the 4th September." I suppose it is Article II of the Treaty of 1861 and the Convention of 1838.

E. F.

October 16, 1884.

I referred to a passage in Lord Russell's despatch to Colonel Rose of the 17th January, 1853, founded, no doubt, on Article II of the Convention of the 16th August, 1838, which was in force at that time, and which contained these words:—

"The subjects of Her Britannic Majesty, or their Agents, shall be permitted to purchase at all places in the Ottoman dominions (whether for the purposes of internal trade or exportation) all articles, without any exception whatsoever, the produce, growth, or manufacture of the said dominions; and the Sublime Porte formally engages to abolish all monopolies of agricultural produce, or of any other articles whatsoever, as well as all *permits* from the local Governors, either for the purchase of any article, or for its removal from one place to another when purchased; and any attempt to compel the subjects of Her Britannic Majesty to receive such *permits* from the local Governors shall be considered as an infraction of Treaties, and the Sublime Porte shall immediately punish with severity any Viziers and other officers who shall have been guilty of such misconduct, and render full justice to British subjects for all injuries or losses which they may duly prove themselves to have suffered."

Lord Russell's despatch to Colonel Rose No. 12 of the 17th January, 1853, enters so fully into the question that I send it herewith.

E. H.

October 16, 1884.

This is Sir E. Hertslet's answer about the monopolies.

Do you agree to the course suggested in my Minute of to-day sent herewith?

E. F.

October 16, 1884.

No. 81.

Musurus Pasha to Earl Granville.—(*Received February* 5.)

Ambassade Impériale Ottomane, Londres, le 4 Février, 1885.

Milord,

J'AI eu l'honneur de recevoir la note que votre Excellence a bien voulu m'adresser en date du 30 Décembre de l'année dernière en réponse à la mienne du 30 Juin de la

même année, relativement à la question du transport des passagers dans le Golfe de Smyrne.

La Sublime Porte aimait à espérer que les considérations longuement développées dans ma note précitée auraient suffi pour en faire apprécier la valeur et pour décider le Gouvernement de Sa Majesté la Reine à consentir sans objection ultérieure à la cessation de la permission provisoirement accordée aux steamers remorqueurs Anglais de continuer ce trafic jusqu'à l'échange d'explications amicales entre les deux Gouvernements. Mais, comme la note responsive de votre Excellence s'étend à des observations qui ne touchent pas le fond de la question, ni ne répondent à l'attente légitime du Gouvernement Impérial, la Sublime Porte, dans son désir d'arriver à une entente avec le Gouvernement de Sa Majesté la Reine, et d'éviter toute mésintelligence sur cette question, m'a chargé de répondre aux considérations exposées dans la note précitée de votre Excellence.

Le privilège exclusif accordé à la Compagnie Ottomane "Hamidié" pour le transport des passagers dans le Golfe de Smyrne ne constitue point ce qu'on appelle un monopole, dénomination que du reste, je n'ai pas donnée à cette Concession dans ma note précitée. Si, à l'exemple de ce qui se pratique dans d'autres États Souverains, la Sublime Porte a revêtu cette concession d'un tel privilège exclusif, c'était pour éviter une concurrence qui en rendrait le succès impossible; mais le Gouvernement Impérial se réserve toujours le droit d'accorder les mêmes concessions à d'autres Compagnies dès qu'une telle concurrence n'offrirait plus d'inconvénient et si c'était à l'avantage du public, comme, d'ailleurs, c'est aussi le cas en Angleterre pour la concession de privilèges semblables, bien que ce qui se passe, en fait de telles concessions, dans un État indépendant, ne doive pas faire loi dans un autre État également indépendant.

Dans sa note susmentionnée, votre Excellence cite, à propos de la discussion concernant l'établissement du Chirket-i-Khaïrié, un passage d'après lequel la Sublime Porte aurait alors admis que les navires Britanniques avaient le droit de transporter des passagers d'un port Ottoman à un autre dans le Danube, la Mer de Marmara, et les Dardanelles. Mais cette admission, bien qu'elle n'ait pas été consignée dans un Traité ou un Acte International bilatéral, ne saurait être appliquée à d'autres localités du littoral Ottoman que celles mentionnées dans le passage en question; et il est probable qu'elle se rapporte à ce fait que les lignes de navigation à vapeur Française et Autrichienne destinées à établir des communications entre ces deux États et l'Empire Ottoman, en arrivant à Constantinople soit de la Méditerranée, soit de la Mer Noire, touchaient alors, comme aujourd'hui, aux Dardanelles et à divers ports du Danube et de la Mer Noire, débarquant et recevant des passagers, tandis que dans l'intérieur de l'Empire et surtout dans le Bosphore le transport des passagers n'avait point pour but une communication directe ou indirecte entre l'Empire Ottoman et les États étrangers.

Dans sa note, votre Excellence déclare que le droit acquis aux navires Anglais de faire le trafic des passagers entre les ports Ottomans est fondé sur les Capitulations, sur la prescription, et sur les stipulations de Traités entre la Turquie et la Grèce, stipulations invoquées par l'Angleterre en vertu du traitement de la nation la plus favorisée.

Je me permettrai de faire observer que les Capitulations ou privilèges déterminés dans les différents Traités de la Sublime Porte et octroyés par les Empereurs Ottomans à une époque où le droit administratif était encore dans son enfance, ne contiennent, cependant, rien qui permette aux États étrangers de transporter des passagers dans l'intérieur de l'Empire. D'ailleurs, à cette époque la force motrice de la vapeur et par conséquent la navigation à vapeur n'existaient point pour qu'on pût invoquer les Capitulations en ce qui concerne la navigation intérieure.

Quant à la prescription, les droits souverains de tout État indépendant sont imprescriptibles et conservent leur force entière, à moins que l'exercice n'en soit restreint par Traité et par le consentement libre ou un engagement spécial du Pouvoir Souverain.

Pour ce qui est du Traité de la Grèce, je dois assurer votre Excellence que la Grèce, qui jouit en effet, en vertu de son Traité, du droit de commerce côtier en Turquie, n'a jamais établi ni ne pourra jamais prétendre à établir dans l'intérieur de l'Empire Ottoman une ligne de navigation pour le transport des passagers, par la raison même que, de son côté, elle ne permettra jamais à la Turquie, qui en vertu du même Traité jouit réciproquement du même droit en Grèce, d'établir dans l'intérieur du royaume une ligne de navigation pour le transport des passagers.

Dans la note de votre Excellence, il est dit qu'il n'y a pas d'analogie entre le Bosphore ou port de Constantinople et le Golfe de Smyrne. Mais ce golfe, au fond duquel se trouve la ville de Smyrne, constitue un seul et même port de cette ville, d'autant plus que le long du golfe il n'y a pas de ville assez importante pour être considérée comme

un port de commerce, mais des localités qui sont, à proprement parler, des lieux de villégiature et d'agrément plutôt que des ports. De plus, la navigation pour le transport des passagers à Constantinople s'étend jusqu'à Ismidt et au delà, ce qui représente une extension aussi grande que celle du Golfe de Smyrne. D'ailleurs, la distinction mise en avant entre le port de Constantinople et les autres ports de l'Empire n'est fondée sur aucun Acte International.

A l'appui des objections contre l'établissement de la Compagnie "Hamidié," la note de votre Excellence fait mention de l'abolition des monopoles en Turquie. Mais le Traité du 16 Août, 1838, où cette décision du Gouvernement Impérial est consignée, ne concerne que les produits d'agriculture et tous autres articles quelconques, ainsi que leur vente et achat, et ne saurait, dès lors, être invoqué dans les questions se rapportant à l'exercice des droits d'administration intérieure appartenant à l'Empire Ottoman. Il est à remarquer, en outre, que, dans le quatrième paragraphe du premier des Articles Additionnels du susdit Traité, il est stipulé expressément qu'aucun des Articles de ce Traité n'entravera en aucune manière l'exercice par la Sublime Porte des droits d'administration intérieure.

La note de votre Excellence fait remarquer que la tentative entreprise pour la première fois par la Sublime Porte d'établir le monopole projeté du transport des passagers dans le Golfe de Smyrne en faveur d'une Compagnie Ottomane est une innovation qui frappe dans leurs racines les relations commerciales établies *ab antiquo* entre la Turquie et les Puissances de l'Europe, également intéressées dans cette question, et que le Gouvernement de la Reine n'est pas disposé à abandonner le droit réclamé par les sujets Anglais de participer au transport des passagers entre les ports Ottomans, tant que cette réclamation n'aura pas été prouvée être non-fondée et n'aura pas été abandonnée par les autres Puissances intéressées.

Le droit de navigation des Puissances étrangères dans les eaux de l'Empire Ottoman reste aujourd'hui tel qu'il était *ab antiquo*, et aucune innovation n'y a été apportée. L'établissement de Compagnies de Navigation Ottomanes à vapeur destinées au transport des passagers dans le Golfe de Smyrne n'est point une tentative entreprise pour la première fois par la Sublime Porte. En effet, depuis l'invention de la force motrice de la vapeur et autant que les ressources des sujets Ottomans le permettaient, de telles Compagnies ont été formées, et je puis citer celles du Bosphore, des îles et autres. Quelques Puissances étrangères ont établi entre leurs États et l'Empire Ottoman, avec le consentement exprès de la Sublime Porte, des lignes de navigation à vapeur, telles que celles des Messageries Maritimes de Marseille et du Lloyd Autrichien de Pesth et de Trieste. Leur principal objet est le transport de marchandises et de passagers de l'Europe en Turquie et vice-versâ, et c'est pendant leur traversée de la Méditerranée et de la Mer Noire que ces deux lignes, comme il a été dit plus haut, touchent à certains points de l'Empire Ottoman où elles débarquent et embarquent des passagers, et il est à noter que ces Compagnies ont été établies en France et en Autriche-Hongrie par des privilèges exclusifs. Cette navigation entre la Turquie et l'Europe est conforme aux Traités, et la Sublime Porte ne l'a jamais refusée à l'Angleterre et elle est toute disposée à la lui accorder. Mais aucune Puissance n'a jusqu'ici établi une ligne de navigation à vapeur dans un golfe ou un port de l'Empire Ottoman pour le transport quotidien des passagers; et la Sublime Porte n'ayant accordé ce droit à aucune Puissance étrangère, il n'y a pas lieu de croire que ces Puissances contesteraient à la Turquie un droit qu'elles exercent elles-mêmes chez elles, et dont la Sublime Porte ne s'est jamais privée par ses Traités avec ces Puissances.

Si je me suis permis de soumettre à l'appréciation de votre Excellence les observations qui précèdent, c'est uniquement dans l'intention de ne pas laisser sans réponse les considérations contenues dans la note précitée de votre Excellence. Ainsi que je l'ai déjà déclaré dans ma note du 30 Juin dernier, je n'entends pas, en traitant la question qui nous occupe, discuter ni préjuger soit la question de la navigation et du commerce côtiers, soit celle du traitement de la nation la plus favorisée. Mon seul but est de sauvegarder le droit incontestable qu'a eu la Sublime Porte de concéder à une Compagnie Ottomane le transport des passagers dans le Golfe de Smyrne, droit dont aucun Traité, aucun Acte International ne restreint l'exercice. Il s'agit d'un droit souverain et dont le maintien est indispensable à la prospérité et au progrès matériel de l'Empire. Il s'agit de substituer le service d'une Compagnie indigène légalement instituée et dûment contrôlée par l'autorité locale au trafic de quelques steamers remorqueurs dont les propriétaires se sont constitués, sans l'autorisation du Gouvernement Impérial, en Compagnie, sous le nom de Messrs Joly and Co., et qui, naviguant sous pavillon étranger, sont soustraits à l'action de la police appelée à veiller à la sécurité publique.

Aussi, en me référant sur cette question au contenu de ma précédente note, ai-je la ferme espoir que le Gouvernement de Sa Majesté la Reine n'hésitera pas à agir dans cette circonstance en s'inspirant des mêmes principes de justice qui l'avaient déterminé à écarter

les réclamations des sujets Anglais à l'occasion de l'institution de la Compagnie du Bosphore Chirket-i-Khairié, les deux cas étant identiques sous tous les rapports, et que, vu l'urgence imposée au Gouvernement Impérial par les réclamations en dommages-intérêts de la Compagnie concessionnaire Hamidié, votre Excellence voudra bien me mettre à même de transmettre au plus tôt au Gouvernement Impérial une réponse satisfaisante et conforme au désir sincère de la Sublime Porte d'être en bonne et parfaite intelligence avec le Gouvernement de Sa Majesté la Reine, et à ces sentiments de sympathie et d'équité que la Grande-Bretagne a toujours manifestés pour l'indépendance et le bien-être de l'Empire Ottoman.

J'ai, &c.
(Signé) MUSURUS.

No. 82.

Earl Granville to Musurus Pasha.

M. l'Ambassadeur, *Foreign Office, February 9, 1885.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 4th instant, respecting the right of British vessels to participate in the coasting trade of the Ottoman Empire, and, in particular, to carry passengers in the Gulf of Smyrna. I beg to assure you that Her Majesty's Government will take this note into careful consideration, and I shall then have the honour to reply thereto.

I have, &c.
(Signed) GRANVILLE.

No. 83.

Sir J. Pauncefote to the Law Officers of th. Crown and Dr. Deane.

Gentlemen, *Foreign Office, February 9, 1885.*

I HAVE the honour to transmit to you, by direction of the Secretary of State, the papers noted in the accompanying list,* which relate to the right of British vessels to participate in the coasting trade of the Ottoman Empire, and, more particularly, to carry passengers in the Gulf of Smyrna.

On the receipt of your Report of the 23rd December, the draft note to the Ottoman Ambassador was amended in accordance with your suggestions and sent off. Lord Granville has now received his Excellency's reply under date of the 4th instant.

It appears to his Lordship that this note is, in the main, a reproduction of arguments already used. His Lordship, moreover, fails to see the distinction sought to be established between lines of passenger-steamers established in France or Austria and those established in Turkey, as regards the right to carry passengers from one Ottoman port to another; nor can his Lordship see the distinction between a "privilège exclusif" and a monopoly.

I am to request that you will take the reply of the Turkish Ambassador into your consideration, and that you will favour Lord Granville with your opinion as to whether it calls for any further remarks in support of the position taken up by his Lordship in the note to Musurus Pasha of the 30th December last, and to which it is a reply.

I am, &c.
(Signed) JULIAN PAUNCEFOTE.

No. 84.

The Law Officers of the Crown and Dr. Deane to Earl Granville.—(Received June 12.)

My Lord, *Royal Courts of Justice, June 11, 1885.*

WE are honoured with your Lordship's commands signified in Sir J. Pauncefote's letter of the 9th February, stating that he was to transmit to us papers relating to the right of British vessels to participate in the coasting trade of the Ottoman Empire, and, more particularly, to carry passengers in the Gulf of Smyrna.

* List as annexed to draft of November 28, 1884 (*ante*, No. 78), adding, Law Officers, December 23; and Musurus Pasha, February 4, 1885.

That, on the receipt of our Report of the 23rd December, the draft note to the Ottoman Ambassador was amended in accordance with our suggestions and sent off.

That your Lordship had now received his Excellency's reply, under date of the 4th February.

That it appeared to your Lordship that that note was, in the main, a reproduction of arguments already used.

That your Lordship, moreover, failed to see the distinction sought to be established between lines of passenger-steamers established in France or Austria and those established in Turkey, as regarded the right to carry passengers from one Ottoman port to another; nor could your Lordship see the distinction between a "privilège exclusif" and a monopoly.

That Sir J. Pauncefote was to request our opinion as to whether the reply of the Turkish Ambassador called for any further remarks in support of the position taken up by your Lordship in the note to Musurus Pasha of the 30th December last, and to which it was a reply.

In obedience to your Lordship's commands we have the honour to report—

That no substantially new point appears to be raised by the reply of M. Musurus, but it may be well to deal with his several arguments in the order in which they are urged.

1. We are unable to appreciate the distinction suggested between the "privilège exclusif," which it is proposed to give to the Ottoman Company, and a monopoly.

2. Although the admission of the Ottoman Government made at the time of the discussion relating to the Chirket-i-Khairie was not embodied in a Treaty, its importance as an admission of the rights of British subjects is not thereby diminished.

The admission was made as the result of a diplomatic controversy in reference to British rights, and was not founded upon any principle limited to a particular locality.

3. Whether the Gulf of Smyrna constitutes a single port, like the port of Constantinople, is, of course, a question of fact. As far as we can judge from the map, this does not appear to be so; and the fact that the only important place on the gulf is the town of Smyrna, at the bottom of it, and that there is no other town upon it of sufficient importance to be considered a port of commerce does not, we think, tend to show that the entire gulf forms part of the port of Smyrna.

4. It is admitted that the vessels of the Messageries Maritimes and Austrian Lloyd's carry from one Ottoman port to another, and we do not think that any valid distinction can be drawn between such traffic and the traffic of vessels which ply only between Ottoman ports.

5. It is asserted that this case and that of the Compagnie du Bosphore (Chirket-i-Khairie) are identical. It may be well again to point out to the Turkish Government the distinction.

That case supports the contention of Her Majesty's Government, unless it can be established that the Gulf of Smyrna is to be regarded as a single port.

It may deserve investigation whether some part of the voyages performed by Messrs. Joly and Co.'s steamers would not come within the principle conceded in the case of the Bosphorus, even though this may not apply to the whole gulf.

We have, &c.
(Signed) HENRY JAMES.
FARRER HERSCHELL.
J. PARKER DEANE.

No. 85.

Earl Granville to Musurus Pasha.

Foreign Office, June 15, 1885.

M. l'Ambassadeur,

I HAVE the honour to state, with reference to your Excellency's recent inquiry at this Office, that a reply will shortly be sent to your note of the 4th February last on the subject of the Turkish coasting trade.

I have, &c.
(Signed) GRANVILLE.

No. 86.

Sir W. White to the Marquis of Salisbury.—(Received July 1.)

(No. 87. Commercial. Most Confidential.)

My Lord, *Therapia, June 27, 1885.*

FROM previous correspondence on the subject of the Steam-boat Company at Smyrna, in which Mr. Joly, a British subject, is interested, and to the monopoly of the coasting trade and passenger traffic of the Smyrna Bay given to Yahia Effendi to the prejudice of the vested rights of Mr. Joly's Company, your Lordship is aware that Mr. Joly's steamers were ordered to stop running early in 1884, and that subsequently, owing to Lord Dufferin's representations, the Porte allowed the steamers to continue to ply pending the settlement of the question.

Since this period the Sublime Porte has pressed for a settlement, but as it is impossible for Her Majesty's Embassy to make any concession on the principle involved as to the coasting trade, and as there is evidently very keen interest shown by the Palace in support of Yahia Effendi's claim, there is a possibility of the renewal of the forcible action taken in 1884.

Under these circumstances, I have thought it best to send Major Trotter to Smyrna to inform me, confidentially, of the true facts of the case—the composition of the respective Companies, which are both, as I understand, composed of Smyrna residents of various nationalities (thus in the Company in which Mr. Joly is interested he and another are the only English partners), and whether, as I trust may be the case, it may not be possible to reconcile the matter at issue between two groups of local capitalists.

Major Trotter has exceptional means of obtaining information, as he has experience of Smyrna gained when he was employed in settling the dispute respecting the Smyrna quay dues, a matter which, by his tact and ability, he brought to a satisfactory settlement, having gained the confidence of all parties.

It is possible, therefore, that this officer may find a solution possible of this long-pending difficulty.

It is important to prevent a question which is practically one of the passenger traffic of Smyrna and its suburbs (local or municipal conveyance) becoming a precedent for pretensions with respect to the coasting trade which might entail serious differences with the Government and damage to great English interests.

In sending Major Trotter to Smyrna on a mission of confidential inquiry, for my own information, I am also going, as far as I am justified in doing, to meet the wishes of the Porte for the settlement of a question in which I see no chance of an arrangement between this Embassy and the Porte as to the main principle involved by mere exchange of official notes.

If, however, this case of the local traffic of Smyrna could be settled to the satisfaction of all parties, and those interested in the Palace be thus quieted, it may be possible to obtain the concurrence of the Palace to some other long-pending British claims, the settlement of which is now persistently obstructed there, and to prevent the question of the general coasting trade from being treated *ab irato*.

It is, no doubt, our interest not to have it reopened until the general negotiations for a Commercial Treaty come on for discussion.

I have, &c.
(Signed) W. A. WHITE.

No. 87.

Mr. Joly to Major Trotter.—(Communicated by Mr. Clark, of Glasgow, to Mr. Hozier, July 22.)

Sir, *Smyrna, July 8, 1885.*

I AVAIL myself of your visit to give you a report on the trade carried on by Bell's Asia Minor Steam-ship Company of Glasgow, and explain how the Company's trade will be interfered with by the so-much-talked-of monopoly.

In 1868, on the suggestion of the late Mr. Edwin S. Joly, of the late firm of Joly and Co., of Smyrna, John Bell, Esq., of Craigview, Prestwich, Ayr, and James Clark, Esq., of the National Bank of Scotland, 8, Union Street, Glasgow, formed a Company, under the style of Bell's Asia Minor Steam-ship Company.

Before entering into further details, you will please note that up to the day Bell's

Asia Minor Company started there had been no steam communication between this, the coast, and the islands.

The steam-ship "Fortuna," of Glasgow, registered tonnage 432, was bought and brought out by Captain Bell, himself in command, who established agents both here and on the coast.

On the 3rd September, 1868, the steam-ship "Fortuna" performed her first trip to Adalia, calling at Chio, Vourla, Chesme, Lidja, Calymnos, Cos, Simi, Rhodes, and Adalia,

This boat continued running to the above ports till September 1869, when she was relieved by a boat specially ordered and built for the trade, called the steam-ship "Attalo," registered tonnage 204.

A mail contract having been concluded with the Samian Government, one boat was found insufficient, and the steam-ship "Fortuna" returned to the coast.

The line was then extended to Mersina, and the ports of Samos, Sira, Macri, Castelrosso, Niseros, Boudrom, were included in the line.

The "Attalo" and "Fortuna" run on the coast for a long period, occasionally relieved, to return to England for general overhaul, the steam-ship "Jura," registered tonnage 203, and steam-ship "Simiote," registered tonnage 305, replaced them.

The trade increasing steadily, the Company increased her tonnage, taking in more ports, &c., according to the demand of the trade.

At present the Company has five steamers belonging to her, and two chartered steamers flying the Greek flag running as follows:—

1. A weekly service to Adalia, calling at Chio, Vathi, Carlovassi, Chuluk, Calymnos, Cos, Simi, Rhodes, Niseros, Boudrom, Castelrosso, Phinica, Adalia, and *vice-versâ*.

2. A weekly service to Alexandretta, calling at Chio, Sira, Calymnos, Cos, Simi, Rhodes, Adalia, Alaya, Selefkia, Mersina, Alexandretta, and *vice-versâ*.

3. A weekly service to Cavalla, calling at Metelin, Aivali, Lemnos, Dede-Agatch, Porto-Lagos; return Lemnos, Aivali, Metelin, Smyrna.

4. A weekly service to Karabournou, Yeni, Leman, Saib, Moldovani, Lidja (the baths), Chesme, and *vice-versâ*.

5. A weekly service to Foggies, Plumari, Metelin, (Dekile when freight offers), Aivali, Kemer, Adramitti, and *vice-versâ*.

These voyages or trips are performed by the following boats:—Steam-ships "Antona," registered tonnage 336; "Bellona," registered tonnage 265; "Gitana," registered tonnage 219; "Hilda," registered tonnage 350; "Ianthe," registered tonnage 222; and chartered Greek "Jolkos," registered tonnage 63.

A daily service to Vourla being required to satisfy the demand of our trade, I have chartered the Greek paddle-boat "Ithaki" to run to Vourla, where she will shortly commence running, as also to Cordelio, or wherever inducement may be offered.

The Company has further decided to establish a line to run to Salonica, calling at Metelin, Aivali, and any other port between that may offer inducement. Also a boat, size of the "Ianthe," has been ordered to run to Sitia, Island of Crete, calling at Lidja, Chesme, Scalnouva, Nikaria, Patmos, Leros, Halki, Scarpothos, Cassos, Sitia, and *vice-versâ*.

The Directors in Glasgow are looking out and will probably build three suitable boats to replace the chartered boats. The one will be exclusively for the port-passenger traffic.

I will now explain in what manner the monopoly would interfere, in fact ruin our long-established trade.

We have had and have a strong opposition to compete against, two Greek boats, on the Adalia and Mersina Line Nos. 1 and 2.

The owners of these boats are merchants here, and if not directly interested in the Hamidie Company, are closely connected, and no sooner the monopoly is enforced than the flag would be changed.

Also, with Joly, Victoria, and Co. we are running strong competition on the Cavalla Line No. 3.

And it is rumoured that, fearing competition in the port-passenger trade, they are no more so deadly opposed to the monopoly; owing to some private arrangement, they are inclined to humour it.

With the Hamidie Company we are also in competition, as they run boats on the Chio Line No. 4, and on the Adramitti Line No. 5.

They have ordered a boat, about 200 tons register, to oppose us on the Cavalla Line No. 3; the plan and specifications are exposed at their offices.

You will now see how detrimental to Bell's Asia Minor Steam-ship Company's

interests a monopoly for either the port or gulf passengers' traffic would be, and after the large profits reaped in the port, it would only be a matter of time, and the British flag would have to disappear from the coasting trade.

As the existence of Bell's Asia Minor Steam-ship Company is threatened by this monopoly, I consider it my duty to inform them, and at the same time forward a copy of this Report.

I have, &c.
(Signed) ALFRED JOLY.

P.S.—For your information I may add that we have four steamers on the Syrian coast, trading between Cyprus, Alexandria, and coast up as far as Mersina and Alexandretta, at which ports the boats from this meet to tranship.

The steamers are the steam-ship "Elpidha," which boat up to lately carried the Government mails, our Company having had the Cyprus mail contract; the other boats are the steam-ships "Dispatch," "Clutha," and "Fortuna."

A. J.

No. 88.

Sir W. White to the Marquis of Salisbury.—(Received August 1.)

(No. 93. Commercial. Confidential.)

My Lord, *Therapia, July 28, 1885.*

IN my despatch No. 87, Commercial, Confidential, dated the 27th ultimo, I had the honour to report to your Lordship that, noticing the increasing irritation in certain influential quarters at the delay in giving a decision favourable to their views (as expressed in the note which I now beg to inclose) on the question of the passenger traffic in the port and Gulf of Smyrna, for which Yahia Pasha had obtained an Imperial Firman, I had adopted the resolution to ask Major Trotter, C.B., to visit Smyrna, and to avail himself of his accurate knowledge of that port for the purpose of sifting this complicated question entirely, and furnishing Her Majesty's Embassy an exhaustive Report upon it.

The *entourage* of His Imperial Majesty the Sultan is bent on maintaining the privileges conferred upon Yahia Pasha and his associates by the Firman, and any further delay in coming to a decision would probably lead to orders being issued which would result in the forcible closing of the navigation by ships belonging to the so-called Joly Company, and carrying, whether rightly or wrongly, the British flag.

This would, of course, open a new discussion of an irritating and disagreeable character, and give rise to claims for compensation, which, as matters now go here, would lead to create one more case.

It was to avoid this that I intrusted Major Trotter with a laborious task, of which, as your Lordship will see, he acquitted himself so creditably, and it is for that purpose that I submit his Report at once for your Lordship's consideration, craving an early decision on the part of Her Majesty's Government.

It was likewise with the view of forestalling future trouble and discussion that I authorized Major Trotter informally to see the promoters of the two rival Companies, and hear by what means their several claims could be adjusted between them, whilst guarding British claims to coasting trade unimpaired.

If we can avoid compromising these rights without a conflict, it will be a happy result, though we must be prepared to have the whole question of coasting trade reopened at no distant period, when the negotiations for new Treaties of Trade and Navigation come on.

But as regards this special case, if it were possible to separate the port of Smyrna and its immediate neighbourhood from the general question, as was done formerly with regard to the Bosphorus, it would certainly go far to simplify matters; but on this subject I have nothing to add to the clear and convincing exposé of Major Trotter now submitted for your Lordship's decision.

I have, &c.
(Signed) W. A. WHITE.

Inclosure 1 in No. 88.

Assim Pasha to Mr. Wyndham.

M. le Chargé d'Affaires, *Ministère des Affaires Etrangères, le* 19 *Avril*, 1885.

LA question du transport des passagers effectué par quelques petits bateaux sous pavillon Anglais dans le Golfe de Smyrne a déjà fait l'objet d'un échange de vues entre la Sublime Porte et l'Ambassade de Sa Majesté Britannique. A la demande de l'Ambassade le Gouvernement Impérial avait en dernier lieu ajourné l'exécution de la mesure tendant à faire cesser le service de ces bateaux; mais il était entendu que cette décision était essentiellement temporaire et ne devait avoir pour objet que de donner aux deux Gouvernements le temps matériel nécessaire pour résoudre le point en discussion.

Malgré les démarches faites par l'Ambassade Impériale à Londres auprès du Foreign Office, les choses sont depuis lors restées en l'état, au grand détriment de la Compagnie Ottomane qui a reçu, par Firman Impérial, le privilège de transporter les voyageurs entre les échelles du Golfe de Smyrne. Le Ministère des Affaires Etrangères croit devoir par conséquent rappeler cette affaire à l'attention de l'Ambassade de Sa Majesté et lui exprimer tout le prix qu'il attacherait à ce qu'une solution satisfaisante lui fût donnée.

Les arguments qui ont été invoqués à l'appui des prétentions de la Compagnie Joly peuvent se résumer ainsi: les industriels Anglais se seraient prévalus d'un droit découlant des Traités Internationaux et notamment de certaines clauses du Traité Turco-Belge de 1838 et du Traité Turco-Grec de 1855; la faculté de transporter les passagers d'un port à l'autre de l'Empire Ottoman aurait été, dit-on, précédemment reconnue par la Sublime Porte aux pavillons étrangers dans le Danube, les Dardanelles, et la Mer de Marmara; enfin, les intéressés croiraient encore pouvoir invoquer la prescription, vu que pendant longtemps, disent-ils, les autorités Impériales ne se seraient pas opposées à leur exploitation.

Le Gouvernement Impérial, de son côté, a combattu cette manière de voir par des raisons dont il est difficile de contester la justesse, et qui n'ont pas été jusqu'à ce jour véritablement réfutées.

Les Traités conclus entre la Sublime Porte et les Gouvernements étrangers ne renferment aucune clause relative au transport des passagers dans les eaux intérieures de l'Empire; et à défaut d'une stipulation formelle autorisant ce transport la Sublime Porte se croit fondée à se prévaloir du principe du droit des gens qui considère les eaux intérieures d'un État comme étant sous le contrôle exclusif de l'autorité territoriale. Les Articles cités des Traités Belge et Grec ne s'appliquent, comme il est aisé de le voir en se reportant aux texte, qu'au transport des marchandises d'un port à l'autre de l'Empire; et ce n'est, dans l'opinion du Gouvernement Impérial, que par l'effet d'un malentendu et d'une confusion de termes que l'on pourrait adopter ces clauses au transport régulier de voyageurs entre des localités sises sur le littoral d'un golfe et qui ne sont pas, à proprement parler, des ports, mais des lieux de villégiature ne servant de siège à aucun commerce important.

Le Gouvernement Impérial maintient donc l'avis qu'un service de ce genre ne peut être légalement organisé qu'avec l'autorisation et sous le contrôle de l'État; et, dans le cas de la Compagnie Joly, cette autorisation n'a été ni demandée ni accordée.

L'Ambassade de Sa Majesté Britannique a cru pouvoir, en outre, réclamer le bénéfice des clauses du Traité Turco-Belge qui placerait les navires Helléniques sur le même pied que les navires Ottomans. Ces clauses ne concernent que le transport des marchandises, et, dans notre opinion, ne sont pas applicables au transport des personnes, qui, en effet, n'est pas effectué en pratique par le pavillon que dans les conditions indiquées. D'ailleurs, il est à remarquer que dans l'hypothèse même où les sujets Grecs auraient droit au bénéfice de cette assimilation—ce qui n'est point le cas—les sujets Anglais ne seraient pas fondés à exiger un traitement similaire; car l'Ambassade n'ignore point que les sujets Hellénes sont, sous certains rapports, assujettis à des charges, telles que celles de "l'Esnaf" et du "Jénetta," dont les sujets Britanniques sont exempts; de sorte qu'il n'y a pas assimilation complète et absolue entre les deux nationalités.

Les exemples qui résulteraient de précédents observés dans le Danube, les Dardanelles, et la Mer de Marmara viendraient plutôt à l'appui qu'à l'encontre des droits revendiqués par le Gouvernement Impérial. Le Danube est une grande artère de commerce international, traversant le territoire de plusieurs États, et où la navigation a toujours été soumise à un régime différent de celui qui serait applicable à un fleuve purement intérieur. Les échelles des Dardanelles, d'autre part, sont de véritables places de commerce des services par de grands paquebots, qui ont leurs ports d'attache à l'étranger; et si ces paquebots y embarquent et y débarquent des voyageurs, le transport des

marchandises, c'est-à-dire le commerce proprement dit, n'en demeure par moins l'objet principal de leur exploitation. Un service effectué dans de pareilles conditions appartient à la sphère du grand cabotage, dont l'exercice n'est pas contesté. Quant aux échelles de la Mer de Marmara, depuis le privilège concédé à la Compagnie Mahsoussé, aucun navire étranger ne s'y livre au transport régulier et exclusif des voyageurs.

L'argument tiré de la prescription ne paraît pas non plus à la Sublime Porte pouvoir être considéré comme concluant. Les droits souverains d'un État sont imprescriptibles, et si le Gouvernement Impérial a pu admettre, à certaines époques, que des bateaux étrangers se livrassent dans les ports et rades de l'Empire au transport des passagers, cela n'impliquait pas l'abandon du droit qui lui appartient de prendre lui-même en mains ou de concéder à d'autres le privilège de ce transport, aussitôt qu'il croit pouvoir le faire dans des conditions également avantageuses pour le public et pour l'État.

Par contre, le Gouvernement Impérial estime pouvoir citer comme représentant une admission implicite de ses vues, l'exemple du Bosphore, ou les bateaux étrangers ont été contraints de discontinuer leur trafic dès qu'une Compagnie Ottomane, possédant les ressources et le matériel nécessaires, a été constituée pour desservir les échelles du Détroit. Les circonstances sont exactement les mêmes pour le Bosphore que pour le Golfe de Smyrne; il s'agit dans les deux cas d'un service de navigation côtière accompli dans des eaux territoriales, et dont l'objet est de transporter des voyageurs à des villages qui ne sont à peu près que les lieux de villégiature. Il serait donc certainement illogique qu'un principe admis comme valable dans le premier de ces cas ne fût pas applicable dans le second.

En soumettant ces différents points à la bienveillante et sérieuse attention de l'Ambassadeur de Sa Majesté Britannique, le Ministère Impérial espère qu'ils seront pris en due considération, et que, mu par l'esprit d'équité qui le caractérise, le Gouvernement Anglais n'hésitera pas à faire droit aux vœux légitimes de la Sublime Porte en faisant cesser l'exploitation anormale de la Compagnie Joly. Cette solution aurait, dans notre opinion, l'avantage de se trouver en harmonie avec ces Traités, les précédents, les principes reconnus en pareille matière chez les différents États, et de tenir compte, en outre, des droits du Gouvernement Impérial, que le Gouvernement Anglais a toujours eu à cœur de protéger et de respecter.

Agréez, &c.
(Signé) M. ASSIM.

Inclosure 2 in No. 88.

Memorandum by Major Trotter on the Smyrna Cabotage Question

(Confidential.)

ON the 10th December, 1882, the Turkish Minister for Foreign Affairs communicated to the British Embassy a Circular *note verbale* in which it was sought to maintain a distinction between ordinary coasting trade ("cabotage") and the coastal service ("service côtier") in the interior of the ports, gulfs, bays, and straits ("détroits") of the Empire. This latter service, his Excellency maintained, is reserved exclusively to the national flag, and is forbidden to foreign ships, and Her Majesty's Ambassador was requested to give the necessary orders to prohibit any infractions of the above principle.

Since the above date several exchanges of notes have taken place on the above subject between Her Majesty's Ambassador and the Sublime Porte, in which the former has always rigidly refused to admit the right claimed by the Porte as being contrary to Treaty stipulations, but the Turkish claim, as far as the Smyrna "cabotage" question is concerned, is now limited, in the last note of the Turkish Minister for Foreign Affairs of date 19th April, 1885, to a demand that Her Majesty's Embassy should instruct Messrs. Joly, Victora, and Co., of Smyrna, to stop running their passenger-steamers in the port and Gulf of Smyrna, so as not to interfere with the Concession granted to Yahia Effendi in 1883, giving him, or rather the Hamidieh Company to be formed by him, a right to the monopoly of the passenger traffic in the *port* and *Gulf* of Smyrna and between one or two points on the adjacent coast.

It seems difficult to meet satisfactorily the arguments of the Turkish Government as to its right to insist that the passenger traffic in the interior of the *port* of Smyrna should be carried on under the Turkish flag. The Law Officers of the Crown,* in June 1864, reported that they were "of opinion that the right of navigating the rivers and canals of

* Sir Roundell Palmer, Sir R. P. Collier, and Sir R. Phillimore.

the Ottoman Empire *under the British flag* is not secured to Her Majesty's subjects," and again, in December 1872, the then Law Officers,* while giving their opinion that Her Majesty' Ambassador might be instructed to insist upon the rights of British ships to the coasting trade within the Ottoman dominions as regards both goods and passengers, at the same time admitted that it was not inconsistent with any Treaty stipulations that the navigation within the Port of Constantinople (including the Bosphorus) should be subject to the restrictions imposed by the Ottoman Government, and recommended that Her Majesty's Ambassador might be instructed to concede that point if insisted on.

What holds good for the *port* of Constantinople where a monopoly of the passenger traffic under the Turkish flag has for some years been established, presumably also holds good for the *port* of Smyrna, and, indeed, Lord Dufferin, in his note to the Porte of the 8th December, 1883, while insisting on the right of British vessels to engage in the internal trade of the Ottoman Empire, with the single exception of the Bosphorus, recognized the justice of Aarifi Pasha's remarks to the effect that the Sovereign Ruler of every State has an indefeasible right of exercising a direct control over the passenger traffic in its internal waters. Lord Dufferin accordingly suggested the promulgation of Regulations drawn up by the Sublime Porte in concert with the Representatives of foreign Powers, placing all foreign vessels engaged in the coasting trade under certain rules which they should be bound to observe, and rendering them liable to the control of the *maritime* police on *land*. Aarifi Pasha, in his despatch of the 8th April, 1884, pointed out in reply that since Her Majesty's Government recognized the rights of the Ottoman Government to exercise a control over the passenger service in its internal waters, his Excellency considered that the exercise of that control as well as that of the maritime police on land could be carried out without making the new arrangements proposed, which did not seem to meet the necessities of the case.

Now Yahiya Effendi's Firman is, as before stated, a concession for the passenger traffic not only for the *port* of Smyrna, but also for the ports of Vourlat† and Foggia in the Gulf of Smyrna, and the Baths of Lidjeh in the Bay of Tcheshmeh, outside the Gulf and at several intermediate stations, and it is evident that an admission of the right of monopoly under the Turkish flag for the passenger traffic between the above-mentioned ports would be an interference with the right of coasting trade in goods and passengers claimed by Her Majesty's Government, but it would also seem that a right to the monopoly of the passenger traffic in the *port* (or "rade") of Smyrna might be conceded without in any way infringing on our Treaty rights, and I believe that it might be possible to effect a settlement of this long-pending question on the above basis.

With a view to such settlement it seems desirable to give a short account of the conflicting private and public interests involved.

The port of Smyrna may be described as that part of the Gulf of the same name lying to the east of the narrow navigable channel between the Sandjak Fort (Kalasi) on the south and the Sandjak Spit on the north. This channel which lies 5 miles to the west of the city of Smyrna is about a quarter of a mile in width, and all ships bound for Smyrna must necessarily pass through it. Inside the port as thus defined lie the city of Smyrna proper, and the important and rapidly increasing suburbs of Cordilio (Karchiaka) on the north side of the bay, as well as Karatash, Quarantina, and Guez-Tépé which lie on the south side of the bay, to the west of the city, and form one long continuous line of suburb.

Smyrna and its suburbs is a fine and prosperous city with a population of nearly 300,000 inhabitants. Two railways run from it into the interior, the one to Cassaba and Alasheir, a distance of 108 miles; the other to Aidin and Sarukeui, a distance with branches of 175 miles, both of them tapping an extremely rich and productive country. The city is daily increasing in wealth and importance, as is proved by the fact that, during the past three years the rateable real property of Smyrna and its suburbs has increased by no less than 700,000*l.*, most of which is due to new buildings on the quays and in the suburbs.

Now much of this increased wealth, especially in the suburbs, is due, it is universally admitted, to the easy and cheap communications by steamboats which has been inaugurated during the last few years. Cordelio, which takes its name from our famous crusading King, Richard Cœur de Lion, is a perfect little Paradise for the merchants, tradespeople, and labourers of Smyrna, while Guez-Tépé is even more esteemed as a health resort. The distance to Cordelio across the bay is rather less than 2 miles, and the competition amongst rival Steam Companies has at various times reduced the fares for the voyage across to the

* Sir J. D. Coleridge, Sir Geo. Jessel, and Sir J. Parker Deane.

† See map at end of Report.

sum of ½*d.*, a figure which although eminently satisfactory to the travelling public is decidedly not so to the shareholders of the competing Steam Companies into whose history it is now necessary to enter.

It was fifteen years ago, in 1870, that steam passenger traffic was first inaugurated in the port and Gulf of Smyrna by M. C. Victora, a Greek, who ran the "Vittoria" under English flag, and M. Denayrouse, a Frenchman, who started the "Camille" under French flag. In 1874 there were ten small steamers running belonging to different owners, three under English, one under Italian, one Greek, and five under the French flag. In 1876 some of these owners combined to form the Company of Joly, Victora, and Co., who ran a fleet of six small steamers which has, by quite recent purchases, been increased to nine. Mr. Joly is an Englishman and M. Victora is a Greek subject.

The partners are of various nationalities, as follows:—

Mr. G. O. Joly, English.
Mr. C. J. Patterson, English.
M. C. Salzani, French.
M. J. d'Andria, Italian.
M. C. Victora, Greek.
M. G. Sperantza, Greek,

the largest shareholders being Messrs. Victora and d'Andria. Mr. Joly informs me that in 1878 or 1879 their six steamers were registered in the British Consulate as under the British flag, but there are no traces of such an event to be found at the Consulate, and I conclude Mr. Joly to be in error. The Company of Joly and Co. was originally formed principally for the navigation of the Gulf of Smyrna and its environs, but also included in its sphere of operations, Aivali and certain parts of Turkey, in Europe. Their larger steamers recently purchased, viz., the "Georgios," 100 tons gross; "Mabel," 74 tons; the "Stefano," 50 tons, and the "Foscolo," 70 tons, are almost exclusively employed in running outside the gulf, the first under the Greek and the other three under the British flag. The various lines on which they run are:—

1. Smyrna, Mitylene, Tenedos, Dédéagatch, Cavala, Lemnos, Mount Athos, and *vice versâ*.
2. Moldovani, Denisduchy, Scio, Samos, Scala Nuova, Nicaria, Patmos, and *vice versâ*.
3. Foggia, Chandarli, Dikili, Mitylene, Aivali, Kemer, Adrimiti, and *vice versâ*.
4. Moldovani, Saifi, Denisduchy, Scio, Chesmeh, Lidjeh, and *vice versâ*.

The other steamers run in the Gulf, and it is generally arranged that all the steamers shall be in port on Sundays, so as to be available for the enormous passenger traffic of that day between Smyrna and Cordelio, when steamers are run every few minutes.

Messrs. Joly and Co. ran without let or hindrance for several years, did a very good business, and doubtless were one of the principal causes of the present flourishing and prosperous condition of the Smyrna suburbs of Cordelio and Guez-Tépé.

They also maintained excellent relations with the Turkish Government, to whom they have given much aid by the gratuitous transport of troops, mails, officials, police, &c., an assistance which they still continue to render.

In 1878 Messrs. Joly and Co., hearing a report that it was contemplated to give a monopoly for the steam navigation of the Gulf of Smyrna, applied to the Turkish Government, through the Governor-General, for the grant of the said monopoly, pointing out that they had for some years past been working in the Gulf under the authorization of the Naval Department, and offering to accept any terms and conditions that the Government might impose.

The Turkish Government replied by Vizirial letter to the Governor-General of Smyrna stating that they had for the moment no intention of granting a Concession for the navigation of the Gulf of Smyrna, and instructing the Governor-General to take the necessary measures to insure that the boats employed by Messrs. Joly and Co. should be suitable for the purpose, and should be kept in good repair. (A translation of this letter will be found in Appendix A.)

Up to about four years ago Messrs. Joly and Co. appear to have kept the passenger traffic in their own hands, the minimum fare across the bay being 2*d.*; but their steamers being small, and hardly sufficient for the purpose, an Ottoman Company was formed amongst the residents of Cordelio for the purchase of the two new steamers—the "Smyrna" and the "Cordelio"—built at Trieste. These ran in opposition to Messrs. Joly's boats, and the competition reduced the fare across the bay to ½*d.*, a rate at which both Companies were losing money.

Meanwhile a certain Yahiya Effendi, a Notable of Smyrna, applied for and obtained

from the Turkish Government a Concession for the establishment of a steam navigation service for the carriage of passengers in the Gulf of Smyrna, i.e., between the Scalas of Old and New Foggia, at the north entrance of the Gulf, Smyrna, Vourla, Karabounar, and all intermediate points, as well as the Lidjeh Baths, in the Bay of Tcheshmeh (opposite Scio).

I attach a copy of the official translation of the Imperial Firman, which was handed to me confidentially by Yahiya Effendi, who has subsequently consented to my submitting it to Her Majesty's Government. The Concession is for a period of thirty years, and it will be remarked that it is not expressly stated therein that no other Company shall be allowed to run steamers; but I am informed that the Turkish word "Imtiaz" in the original document, which has been translated as "Concession," implies a monopoly; and, moreover, it may be inferred, from the general tenour of the document, that it was intended to confer a monopoly.

It would seem that Yahiya Effendi was originally sent to Constantinople on behalf of Joly and Co. (this is disputed); but this much is certain, that three partners in the Association, viz., M. Salzani and two others, actually advanced 1,000*l.* to Yahiya Effendi, to enable him to deposit the necessary caution money of 500*l.* in the Imperial Ottoman Bank and for other expenses; and that when the Firman was obtained Messrs. Joly and Co. at once entered into negotiations with him for working it, and arranged to transfer their six ships to Yahiya at a price agreed upon, to be paid for in shares of the new "Hamidieh Company" about to be formed under the provisions of the Firman. It was also agreed that out of the thousand 50*l.* shares which was to form the nominal capital of the new Company, Yahiya was to have 200 shares without payment. Pending the regular formation of the said Company, it was agreed that Joly and Co. should work their steamers in the name of the Société Hamidieh, paying to Yahiya 20 per cent. of their net profits.

In order to carry out this arrangement it was necessary, under the terms of the Concession, that all the steamers should sail under the Ottoman flag, and accordingly Messrs. Joly's six steamers, the "Constantino," "Guez-Tépé," "Miaulis," "Canaris," "Camille," and "Mabel" were, in September 1883, transferred by deed of sale to a certain M. Tactakian, an Ottoman subject, and an employé of Messrs. Paterson and Co. of Smyrna. M. Tactakian, although the nominal owner had, I understand, no real interest in the business, and the previous owners of British and other nationalities in reality still remained the *bond fide* owners.

Steps were now taken to enforce the monopoly in favour of the Hamidieh Company, i.e., in favour of Yahiya Effendi, working in concert with Joly and Co., and the Company commenced working in the gulf under its new name, and under the Ottoman flag, on the 1st September, 1883, the charge across the gulf to Cordelio being raised to three halfpence.

A few days prior to this date the Ottoman Company of Cordelio, which had been running the two steamers "Smyrna" and "Cordelio" in opposition to Joly and Co., knowing that they would be stopped running on the 1st September, effected a transfer by sale (fictitious, I am informed) to Mr. John Honischer, a British subject, in the hope that by sailing under the British flag the monopoly of the Hamidieh Company might successfully be resisted. They were not successful, for the Ottoman harbour authorities refused to recognize the sale as lawful, and would not issue the necessary bills of health. The assistance of the British Embassy was invoked to compel the Turks to recognize the sale, but the efforts of the Embassy were for several months unsuccessful, and the vessels were not allowed to ply on the line.

In February 1884, Joly and Co., who had hitherto been working the monopoly in association with Yahiya, having been unable to come to a definite arrangement with that gentleman, brought their temporary arrangement with him to a close, and their six vessels, which, as before mentioned, had been transferred to the Ottoman flag, were resold to themselves on the 18th February, 1884. The form of the transaction, as registered in the British Consulate at Smyrna, being a sale of one vessel, the "Mabel," by M. Tactakian to Mr. C. Paterson, and of the other five steamers by M. Tactakian to Mr. Edwin Sidney Joly on behalf of his brother, Mr. George Oswald Joly.

On the 29th February these six vessels which, since their transfer again, hoisted the British flag, commenced to ply between Smyrna and Cordelio in opposition to the Hamidieh Company, for which they had recently been working, but they were forcibly prevented from running by the Ottoman authorities, under circumstances which are familar to Her Majesty's Embassy, and on the grounds that it was contrary to International Treaties and to the Concession granted to Yahiya Effendi.

The latter, meanwhile, had formed a new Company consisting of local capitalists, which ran under the name of the Hamidieh Company. They purchased the two steamers "Smyrna" and "Cordelio," which were standing in the name of Mr. Honischer, and

hired two other steamers from Constantinople, and commenced running in the gulf on behalf of the monopoly.

The British Embassy interfered on behalf of Joly and Co., and obtained an order from the Porte that Messrs. Joly and Co's. steamers should continue to run until an arrangement had been come to between the British and Ottoman Governments on the subject of the monopoly.

They recommenced running on the 11th March, but were again stopped by the local authorities, who affected to misunderstand the orders they had received from Constantinople, and it was not until the 25th March that the boats were allowed to ply, it being then intimated to Mr. Consul Dennis by the Governor-General of Smyrna that he had received orders to allow the boats to ply with passengers in the Gulf of Smyrna without any hindrance until the questions pending between the two Governments were settled.

From the above date Messrs. Joly and Co's. vessels have run without let or hindrance in the Gulf of Smyrna, at first in keen competition with the four boats of the Hamidieh Company, with the price across the bay again reduced to one halfpenny, but (I believe on the suggestion of Lord Dufferin) the two Companies agreed to moderate their competition, raised their fares across the bay to one penny, and ran boats in order, each Company running a boat every alternate half-hour instead of "hugging" each other as before, to the great danger of the public.

Meanwhile, Yahiya Effendi has been constantly pressing the Porte to carry out the terms of his Firman and enforce the monopoly, and the Porte has been equally pressing on the Embassy to admit the rights of the Ottoman Government to enforce the monopoly granted for the passenger traffic of the port and Gulf of Smyrna. It is well known that very influential personages at the Palace take a great interest in the question and that failing to obtain by argument an admission of the justice of their claim, the Porte is again contemplating a resort to force to prevent Joly and Co's. steamers from plying, a course which must inevitably produce serious complications between the two Governments.

After a careful considearation of the facts of the case, I have come to the following conclusions:

1. *That the free competition hitherto existing has undoubtedly been greatly conducive to the prosperity of the town and suburbs of Smyrna*, and that the institution of a monopoly is locally most unpopular, and unless carried out under strict and careful supervision, is likely to prove injurious to local interests.

While at Smyrna I received deputations from Cordelio, Karatash, and Guez-Tépé, who all protested strongly against the monopoly. I declined to receive Petitions on the subject which they were preparing and anxious to submit, and explained to them that although I entirely agreed with them that the monopoly was injurious, yet that the right of granting it was a question of international law and justice which would have to be decided on its own merits.

2. That as previously pointed out, *it seems difficult to contest the justice of the Turkish claim to the right of complete control over the steam passenger traffic in the port of Smyrna, i.e., that portion of the Gulf of Smyrna lying within the Sandjak Fort Channel.*

In addition to the arguments before employed I may mention that steamers employed in the passenger traffic in the Gulf are subject to no system of inspection whatever. No Turkish official is allowed to go on board to inspect the machinery or the fitness of the boats generally for the service or to prevent overcrowding. Neither is there any provision at the Consulate for inspection of any kind, whereas in the case of British or foreign steamers employed in the passenger traffic in British waters an annual inspection by competent authorities is rigorously enforced under the Merchant Shipping Act.

A case was reported to me as having recently occurred where thieves (Ottoman subjects) pursued by the police along the quay rushed on board one of these vessels, and owing to the protection afforded by the British flag, they could not be touched until the usual formalities had been gone through at the British Consulate, a state of things naturally humiliating and annoying to the local authorities.

If the Turkish claim of the right of control in the port of Smyrna be admitted, would give the Hamidieh Company the monopoly of the passenger traffic between Smyrna Cordelio, Karatash, and Guez-Tépé, much the most valuable portion of the traffic now claimed by them, but it would exclude them from the monopoly of the passenger traffic in other parts of the Gulf.

3. That the claim of the Turks to a monopoly of the passenger traffic between Smyrna, on the one hand, and Vourla, Foggia, Tcheshmeh Bay and intermediate points, cannot be admitted without infringing on our Treaty claims as regards the coasting trade of Turkey.

Through the courtesy of Messrs. Joly and Co., who placed a steamer at my disposal

for the purpose, I visited Vourla and Foggia during my stay at Smyrna. They are both of them *ports*, each having its own Custom-house, Health Office, &c., and they are ports of call during the fruit season for large steamers which take produce thence for Europe direct. Vourla is a very rising place, from which some 8,000 tons of raisins are annually exported. Foggia is the central depôt of the salt monopoly. The direct traffic between these ports and Smyrna principally consists of passengers. European merchandize sent from Smyrna to Vourla is carried almost exclusively on camels, in order to avoid the vexations of the Custom-house, which are escaped when land transport is used.

It may be noted that when Joly and Co. first ran passenger-steamers to Vourla several years ago, the landing-stage was erected by the town, and it was stipulated that Joly and Co.'s steamers should only be allowed to use it as long as it was not required by the Ottoman Government for an Ottoman Company. As the foreshore belongs to the Government, permission to build a landing-stage elsewhere could, and, doubtless, would, be refused, and the landing would have to be effected by boats, an impediment and additional expense that would probably enable the Government practically to prevent Joly and Co.'s steamers from touching there.

It is also probable that if the Firman be limited to the port of Smyrna the Ottoman authorities might, and probably would, prevent foreign steamers from touching at the small intermediate landing-places in the gulf outside the port on the ground that there are no Custom-house or local authorities there. It would seem that they would be in the right in doing so for Mr. Wyndham, in his despatch, No. 158, Commercial, of the 22nd June, 1883, lays down the principle that "coasting-vessels cannot claim the right to frequent ports where there are no properly constituted authorities, and this dictum was approved of by Earl Granville in his despatch No. 96, Commercial, of the 29th June, 1883.

It seems, therefore, that if our recognition of the Firman be limited to the *port*, the Ottoman authorities will have it in their power to prevent Joly and Co.'s, or any other foreign steamers, from plying for passenger traffic between the port of Smyrna and Vourla, and other smaller places in the gulf outside the port. It would, therefore, perhaps be simpler, and a means of avoiding further complications, to recognize the Firman as it stands, with the stipulation that there shall be no impediment or obstacle placed in the way of British steamers carrying goods and passengers between Smyrna and the ports of Vourla and of Old and New Foggia. It would probably be far easier to obtain this declaration from the Porte than to induce them to limit the Concession to the port of Smyrna.

4. *That somewhat irregular use has been made of the British flag*, amounting, perhaps, to an abuse.

Thus we find the Ottoman Company of Cordelio effect a nominal sale of their steamers to an English owner in order to get the protection of the British flag in competing with Joly and Co.'s steamers, running under Ottoman flag, for the monopoly, and a few months afterwards we find Joly and Co. transferring their ships to British flag in order to obtain protection *against* the monopoly. As before pointed out, four of the six partners in Joly and Co. are foreigners, and as such are not entitled under British law to own any part or share of a British ship. In the Merchant Shipping Act of 1856, Article 103, it is laid down that "if any person uses the British flag and assumes the British national character on board any ship owned in whole or part by any persons not entitled by law to own British ships, for the purpose of making such ship appear to be a British ship, such ship shall be forfeited to Her Majesty, unless such assumption has been made for the purpose of escaping capture by an enemy or by a foreign ship of war in exercise of some belligerent right."

Now, on the 22nd February, 1884, five of Messrs. Joly's steamers were registered provisionally at the Smyrna Consulate under the name of George Oswald Joly, and a sixth under the name of Mr. C. Patterson, both of them *bond fide* British subjects, and the apparently legal British owners; yet it is an indisputable fact that amongst the *bond fide* principal owners are several foreign subjects, and it would seem, therefore, that these vessels are liable to confiscation under the Act previously quoted.

These vessels should by law have been subsequently registered at the Consulate of Constantinople; but this was never done owing, I presume, to the fact that a formal declaration of *bond fide* British ownership would have been required, and to the heavy penalties attached to a false declaration.

I have been given to understand that even in England foreign ownership in British vessels is often tacitly allowed by the authorities. Nevertheless, I have felt it my duty to report the facts as they stand, so that it may clearly be understood, that in protecting Joly, Victora, and Co., Her Majesty's Government is protecting an Association in which foreigners have the largest interest.

I was informed, both by the Austrian and Italian Consuls-General at Smyrna, that at various times, in connection with this Smyrna "cabotage" question, they have been applied to to give the protection of their respective flags, but on reference to their Embassies they have been instructed to hold aloof and not give encouragement to such proceedings. It seems that the Italian Government is itself contemplating the closing of the Italian coasting trade to foreign vessels.

It seemed at one time that the present question might be settled by a simple amalgamation of G. O. Joly and Co. with Yahiya Effendi, and the present Hamidieh Company leaving the questions of principle untouched; but this solution would only be of the most temporary description, for I was informed by Mr. Alfred Joly, who is agent for Bell's Asia Minor Company, of Glasgow, a *bond fide* British firm which carries on a large shipping business in the coasting trade of Turkey, that it is now preparing to send out two new British steamers to Smyrna, one of which is to be exclusively employed in the passenger traffic in the port of Smyrna, and the other on a daily service between Smyrna and Vourla. An American firm is also preparing to run steamers in the port under the American flag.

It will, therefore, to prevent future complications, be absolutely necessary either to affirm or reject the rights claimed by the Ottoman Government for a monopoly of the passenger traffic in the port and gulf. If we admit their rights, it seems probable that other Powers would do the same, as, owing to our own liberal treatment of foreign flags, we have, on grounds of reciprocity, greater claims than are possessed by any other great Power, or by the United States of America, and it is presumably partly for this reason that the protection of the British flag has hitherto been invoked rather than that of any foreign Power.

I append a letter from Mr. Alfred Joly giving a detailed account of the operations of Bell's Asia Minor Company, which may be useful to Her Majesty's Government in considering the general question of the coasting trade of Turkey. Mr. Joly also points out how the proposed monopoly would injure their interests.

I should explain that Bell's Asia Minor Company are now in violent competition with G. O. Joly and Co., as the latter have been running steamers on lines to the islands and other ports for which Bell's Company had until lately the practical monopoly. They are also in keen competition with a Greek Company which has been running from Smyrna to Adalia (on the south coast of Asia Minor), at such reduced charges that they have lost 5,000*l.* in a twelvemonth by the venture. Deck passengers are now carried from Smyrna to Adalia,* and *vice versâ*, for the sum of 1*s.*

I have been given to understand that Bell and Co.'s principal object in running steamers in the port and gulf of Smyrna is to compel G. Joly and Co. to cease their opposition on other lines.

I wrote to Mr. A. Joly a word of warning that it would be unwise of his Company to incur expenditure for running steamers in the gulf until a decision on pending questions had been arrived at by Her Majesty's Government.

Assuming Her Majesty's Government to assent to the proposed monopoly for the port of Smyrna, it remains to be seen how the British interests hitherto involved (*i.e.*, the interests of Bell's Asia Minor Company and of that fraction of Joly and Co. which is British) can be best protected. It is clear that Joly, Victora, and Co. have done good service in inaugurating the port service which has been very beneficial to the country, and that they have been working under British and other flags up to the starting of the monopoly in September 1883, with the sanction and approval of the Ottoman Government.

Although they themselves, as a matter of fact, started the monopoly in association with Yahyia Effendi, yet as they were unable ultimately to come to terms with that gentleman (principally owing to a stipulation in the "Cahier des Charges" of the Hamidieh Company that all shareholders must be Ottoman subjects), they are now left out in the cold, or rather, will be so directly the monopoly is allowed. They claim, therefore, that they are entitled to some compensation for the forcible stoppage of the service they had themselves created. The best, simplest, and most practicable arrangement for giving compensation would be for Joly and Co. to ally themselves with Yahiya Effendi and his associates, and if they enter the Hamidieh Company on fair terms this will itself be compensation for them, as they will then be sharers in the profits of the monopoly. From confidential *pourparlers* that I had with Joly and Co., and with some of Yahiya's associates in the Hamidieh Company, I believe that such amalgamation would be practicable if certain modifications could be made in the Firman and "Cahier des Charges," viz.:—

(*a.*) The Firman of Concession to be so altered as to limit the monopoly to the port of Smyrna, including Cordelio, Karatash, and Guez-Tépé.

* A distance of about 450 miles.

If this be found impracticable a declaration might perhaps be obtained from the Turkish Government to the effect that if Her Majesty's Government recognize the validity of the Firman as regards the port of Smyrna, the Ottoman Government shall not enforce its provisions outside the port.

A third alternative, which would be much more favourable to the concessionnaire of the monopoly, and therefore to the Porte, would be to recognize the validity of the Firman in its entirety, with the proviso that British or other foreign vessels shall always have the right to carry goods and passengers between Smyrna and Vourla and Smyrna and Old and New Foggia, and *vice versâ*. By this proviso also the interests of Bell's Asia Minor Company would, to a great extent, be safeguarded.

(*b.*) An alteration to be made in the "Cahier des Charges" to the effect that non-Ottoman subjects shall not be debarred from holding shares in the Hamidieh Company.

(N.B.—This will enable Joly and Co. to hold shares in their own name instead of under a fictitious one, and thereby obtain a fair share in the management of the Company.)

(*c.*) Other slight and less important alterations to be made in the "Cahier des Charges" and Statutes of the Company, into which it is not necessary here to enter. They would be subjects of negotiation between Joly and Co. and Yahiya Effendi.

Should Her Majesty's Government approve of a settlement being made on the above basis, it would seem to safeguard British interests as far as the *bonâ fide* coasting trade is concerned, and I would venture to suggest that the Porte be unofficially informed that Her Majesty's Government is prepared to acknowledge the validity of the Firman (with such provisions as may be agreed upon) as soon as Messrs. Joly and Co. and Yahiya Effendi (now Yahiya Pasha) can come to terms, and provided the proposed changes in the "Cahier des Charges" be effected.

(Signed) HENRY TROTTER, *Major, R.E.*,
Military Attaché.

Constantinople, July 26, 1885.

Inclosure 3 in No. 88.

Firman.

(Traduction.)

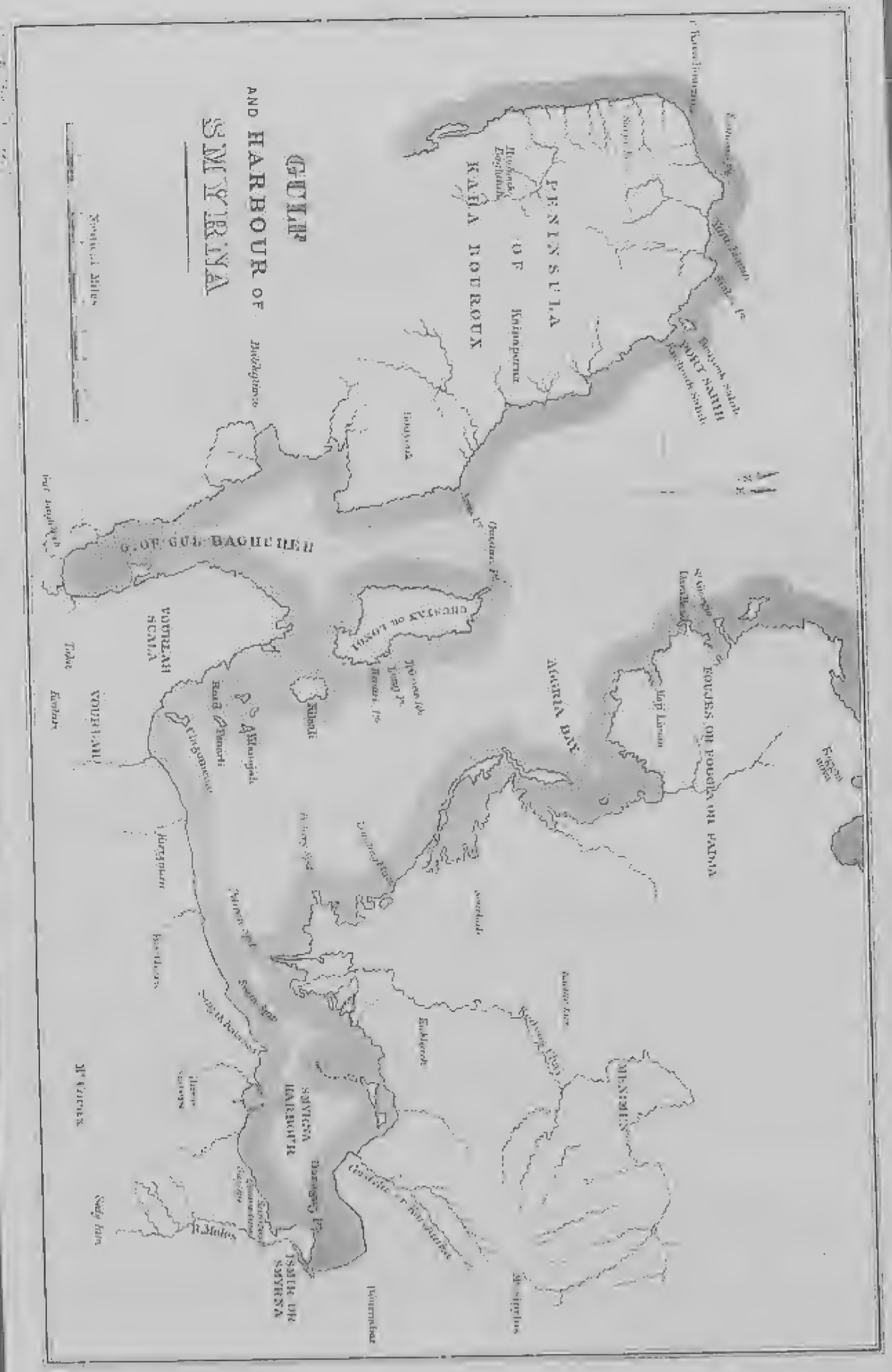
MON autorisation Impériale ayant été demandée par Yahiya Hayati Effendi, Notable de Smyrne, à l'effet de lui accorder une Concession pour la navigation à vapeur entre le Golfe de Smyrne et Carchon-Yaka, Cara-Tache, Gueuz-Tépé, Cara-Bournou, Tchesmé, et autres localités voisines, et mon Conseil des Ministres, après lecture et examen de la Convention, du Cahier des Charges, et des Statuts dressés par le Ministère des Travaux Publics ayant approuvé cette demande et ayant jugé opportun d'y donner suite, l'a soumise à ma sanction Impériale; par conséquent ma sanction Impériale a été accordée à cette demande, conformément à la proposition de mon Conseil des Ministres sur la base de la dite Convention dont les clauses sont reproduites ainsi que suit :

Mon Gouvernement Impérial accorde à Yahiya Hayati Effendi la Concession pour l'établissement d'un service régulier de navigation à vapeur pour le transport des voyageurs dans le Golfe de Smyrne, entre les échelles du nouveau et ancien Fodja, Endu-Bey, Osman Zadé, Dommandji, Carchou-Yaka, Smyrne, Cara-Tache, Islahané, Gueuz-Tépé, ferme d'Abdul-Rahman Agha, Selinéron, Ourla, et Cara-Bournou, et l'échelle des Bains de Tchesmé, sis en dehors du Golfe de Smyrne en face de l'Ile de Chio, ainsi que pour la construction et l'établissement des échelles et pontons nécessaires aux points mentionnés plus haut, en vue de faciliter l'embarquement et le débarquement des voyageurs, le tout aux conditions suivantes :

La durée de la Concession sera de trente années à partir de la date de mon présent Firman Impérial.

Le concessionnaire s'engage à établir à ses frais, risques, et périls, le service régulier du transport des voyageurs, et à commencer les transports en faisant venir les bateaux à vapeur nécessaires au besoin des voyageurs dans un délai d'une année à partir de la date de l'échange de la Convention.

Mon Gouvernement Impérial surveillera pendant toute la durée de la Concession et par l'intermédiaire des Commissaires spéciaux le service de la navigation et contrôlera les actes de la Direction et de l'exploitation, ainsi que le bon entretien des échelles et des bateaux.



Le concessionnaire versera chaque année à l'ordre de mon Gouvernement Impérial, à titre de frais de contrôle, une somme de £ T. 60, payable mensuellement et cela à partir de la date fixée pour le commencement de la navigation jusqu'à l'expiration de la Concession.

L'entreprise étant d'utilité publique le concessionnaire acquerra les terrains nécessaires à l'établissement des échelles, quais, autres travaux et de leurs dépendances, et appartenant aux particuliers, conformément à la loi d'expropriation, toutes les fois qu'une entente ne pourrait pas être établie entre lui et les propriétaires de ces terrains.

Le matériel, pierres, charpentes, fer, houilles, machines, navires, et autres nécessaires du premier établissement des échelles, bateaux et de leurs dépendances que le concessionnaire achètera dans le territoire de mon Empire ou qu'il fera venir de l'étranger, sont exempts de tous droits de douane ; de même les sols, fonds, et revenus ne seront passibles d'aucun impôt pendant toute la durée de la Concession ; il ne sera de même perçu aucun droit de timbre sur la Convention et le Cahier des Charges y annexé.

Le concessionnaire aura la faculté de couper les bois nécessaires à la construction et à l'entretien des bateaux, échelles, et pontons dans les forêts voisines appartenant à l'État, conformément au règlement concernant la matière.

Le concessionnaire doit tenir à ses frais, dans un parfait état d'entretien, les échelles, quais, bateaux, et pontons pendant toute la durée de la Concession ; dans le cas contraire il sera procédé conformément à l'Article 5 du Cahier des Charges.

Le concessionnaire est tenu de se conformer, quant à ce qui concerne la police et le maintien du service de transport des voyageurs, aux règlements actuellement en vigueur et à promulguer, à l'avenir, dans mon Empire.

Dans le cas d'interruption du service des transports en partie ou en totalité, par la faute du concessionnaire, mon Gouvernement Impérial prendra aux frais, risques, et périls du concessionnaire, les mesures nécessaires, conformément à l'Article 5 du Cahier des Charges, pour assurer provisoirement l'exploitation du service de la navigation.

Le concessionnaire aura le droit de percevoir des taxes de transport, conformément aux tarifs fixés dans le Cahier des Charges à partir de la date à laquelle le service de la navigation commencera à fonctionner, jusqu'à l'expiration de la Concession.

Le transport des militaires des armées de terre et de mer, voyageant en corps ou isolément, tant en temps de guerre qu'en temps de paix, ainsi que du matériel et approvisionnements de guerre, des prisonniers et condamnés, des Agents de l'État, et des valises postales, sera effectué conformément aux dispositions du Titre V du Cahier des Charges.

Le concessionnaire est autorisé de former, pour l'exécution des présents engagements, dans le délai de six mois, à partir de la date de mon Firman Impérial, une Société Anonyme Ottomane sur la base des Statuts ci-annexés.

Le concessionnaire devra, pour assurer l'exécution de ses engagements, dans le délai d'un mois à partir de la date de la notification qui lui sera faite de la promulgation de mon Firman Impérial, déposer à la Banque Ottomane, et à titre de cautionnement, une somme de £ T. 500 en numéraire ou en titres de l'État au cours du jour. Si le dépôt se fait en titres, la Banque fera prendre l'engagement de parfaire la différence en cas de la baisse des prix.

Aussitôt après le dépôt du cautionnement, mon Firman de Concession sera remis au concessionnaire. Le cautionnement lui sera restitué après le commencement du service régulier de la navigation ; si, dans le délai d'un mois, le concessionnaire n'effectue pas le dépôt sus-énoncé, il sera déchu sans aucune mise en demeure de tous les droits à la Concession.

A l'expiration de la Concession, les échelles et les bâtiments qu'il aura installés sur les quais feront retour à l'État.

Les employés et agents du concessionnaire porteront la tenue qui sera fixée et adoptée par mon Gouvernement Impérial.

Le concessionnaire doit présenter, au commencement de chaque année, au Ministère des Travaux Publics, un État de toutes les recettes et dépenses de l'entreprise.

Le concessionnaire établira gratuitement dans les bâtiments qu'il aura établis, sur les échelles désignées par mon Gouvernement Impérial, les locaux nécessaires aux bureaux des agents du contrôle et de la police.

Le concessionnaire aura le droit de faire transporter, avec ses propres moyens de transport, et sans payer aucune taxe à l'Administration des Postes, les correspondances et valises concernant exclusivement le service de la navigation. Le concessionnaire est tenu de payer à partir du commencement du service de transport les 15 pour cent des recettes nettes au Lycée Impérial en cours de construction à Smyrne.

Le concessionnaire, ainsi que la Société Anonyme qui lui sera substituée, devant être

Ottomans, tous différends et procès qui surgiraient, soit entre mon Gouvernement Impérial et le concessionnaire ou la Société, soit entre le concessionnaire ou la Société et des particuliers par suite de l'exécution ou de l'interprétation de la Convention et du Cahier des Charges y annexé, seront jugés par mes Tribunaux compétents Ottomans.

Mon présent Firman Impérial n'a été délivré qu'à la condition formelle de n'avoir effet que tant que les clauses et dispositions sus-énoncées de la Convention, qui accorde à Hayati Effendi pour une durée de trente années, et aux conditions arrêtées, ainsi que celles du Cahier des Charges et des Statuts formant Annexes à mon Firman Impérial, seront intégralement exécutées.

Donné au Divan Impérial le 11 Schewal, 1300.

(Cacheté.)

Inclosure 4 in No. 88.

Vizirial Letter to the Vali of Smyrna.

(Translation.)

IN answer to your Excellency's despatch of 5 Sheval, 1293, relative to the letter from the Captain of the Port, and Mr. Joly and Co.'s Petition stating that permission to run steamers between the landing-places in the Gulf of Smyrna has been granted exclusively to one Company, I have to inform you that the matter was referred to the Council of State, who have replied that with reference to the statement of the above-mentioned Company, that the right of running steamers in the Gulf of Smyrna is to be conferred on one Company alone, whereas they themselves in virtue of a permit obtained from the Ministry of Marine are at present carrying passengers in their own steamers, although it was understood that they had asked for such permission on the understanding that they would accept any conditions proposed by the Government, the parties should be given to understand that the Sublime Porte has no intention, as matters stand at present, of granting such a privilege to one person or another, but should the boats employed be not in good repair, or unsuitable for the conveyance or accommodation of passengers, steps should be taken to put them in a proper condition.

This reply to your Excellency's despatch is sent at the intimation of the Board of Works, and your Excellency is requested to take the necessary steps in consequence.

October 26, 1292 (2 *Zil-hijjé*, 1293).

Inclosure 5 in No. 88.

Mr. J. Joly to Major Trotter.

Smyrna, July 8, 1885.

Sir,

I AVAIL myself of your visit to give you a report on the trade carried on by Bell's Asia Minor Steam-ship Company of Glasgow, and explain how the Company's trade will be interfered with by the so-much-talked-of monopoly.

In 1868, on the suggestion of the late Mr. Edwin S. Joly of the late firm, Joly and Co., of Smyrna, John Bell, Esq., of Craigeiew, Ayr, and James Clark, Esq., of the National Bank of Scotland, 8, Union Street, Glasgow, formed a Company, under the style of Bell's Asia Minor Steam-ship Company.

Before entering into further details, you will please note that up to the day Bell's Asia Minor Company started there had been no steam communication between this, the coast, and the islands.

The steam-ship "Fortuna," of Glasgow (132 tons registered), was bought and brought out by Captain Bell, himself in command, who established agents both here and on the coast.

On the 3rd September, 1868, the steam-ship "Fortuna" performed her first trip to Adalia, calling at Chio, Vourla, Chesmé, Lidja, Calymnos, Cos, Simi, Rhodes, and Adalia.

This boat continued running to the above ports till September 1869, when she was relieved by a boat specially ordered and built for the trade, called the steam-ship "Attalo" (registered tonnage 204).

A mail contract having been concluded with the Samian Government, one boat was found insufficient, and the steam-ship "Fortuna" returned to the coast.

The line was then extended to Mersina and the ports of Samos, Sira, Macri, Castelbrosso, Niseros, Boudroum, were included in the line.

The "Attalo" and "Fortuna" ran on the coast for a long period, but the trade

increasing steadily, the Company increased her tonnage, taking in more ports according to the demand of the trade.

At present the Company has five steamers belonging to her, and the chartered steamers flying the Greek flag, running as follows :—

No. 1. A weekly service to Adalia, calling at Chio, Vathi, Carlovassi, Chuluk, Calymnos, Cos, Simi, Rhodes, Niseros, Boudroum, Castelrosso, Phenica, Adalia, and *vice versâ*.

No. 2. A weekly service to Alexandretta, calling at Chio, Sira, Calymnos, Cos, Simi, Rhodes, Adalia, Alaya, Selefkia, Mersina, Alexandretta, and *vice versâ*.

No. 3. Ditto to Cavalla, calling at Mytilene, Aivali, Lemnos, Dédé-Agatch, Porto Lagos, and return.

No. 4. Weekly service to Karabournou, Yeni Liman, Saib, Moldovani, Lidja (the Baths), Chesmé, Chio, and *vice versâ*.

No. 5. Ditto to Foggia, Plumari, Mytilene, Aivali, Kemer, Adramiti, and *vice versâ*.

These voyages or trips are performed by the following boats :—

	Registered Tonnage.
Steam-ship "Antona"	336
" "Bellona"	265
" "Gitona"	219
" "Hilda"	351
" "Ianthe"	322
Chartered Greek "Telkos"	93

A daily service to Vourla being required to satisfy the demand of our trade, I have chartered the Greek paddle-boat "Ithaka" to run to Vourla, where she will shortly commence running, as also to Cordelio, or wherever inducement may be offered.

The Company has further decided to establish a line to run to Salonica, calling at Mytilene, Aivali, and any other port between that may offer inducement.

Also a boat size of the "Ianthe" has been ordered to run to Sitia, Island of Crete, calling at Lidjeh, Chesmé, Scalanuova, Nikaria, Patmos, Leros, Halki, Scarpathos, Cassos, Sitia, and *vice versâ*.

The directors in Glasgow are looking out, and will probably build three suitable boats to replace the chartered boats. The one will be exclusively for the port passenger traffic. I will now explain in what manner the monopoly would interfere, in fact ruin, our long-established trade.

We have had, and have, a strong opposition to compete against—two Greek boats, on the Adalia and Mersina line, Nos. 1 and 2.

The owners of these boats are merchants here, and if not directly interested in the Hamidieh Company are closely connected; and no sooner the monopoly is enforced than the flag would be changed.

Also with Joly, Victora, and Co. we are running strong opposition on the Cavalla line, No. 3. And it is rumoured that, fearing competition in the port passenger trade, they are no more so deadly opposed to the monopoly; owing to some private arrangement, they are inclined to humour it.

With the Hamidieh Company we are also in competition, as they run boats on the Chio line, No. 4, and on the Adramiti line, No. 5.

They have ordered a boat, about 200 tons register, to oppose us on the Cavalla line, No. 3. The plan and specifications are exposed at their offices.

You will now see how detrimental to Bell's Asia Minor Steam-ship Company's interests a monopoly for either the port or gulf passenger traffic would be; and after the large profits reaped in the port, it would only be a matter of time and the British flag would have to disappear from the coasting trade.

As the existence of Bell's Asia Minor Steam-ship Company is threatened by this monopoly, I consider it my duty to inform them, and at the same time forward a copy of this Report.

I am, &c.

(Signed) ALFRED JOLY.

P.S.—For your information I may add that we have four steamers on the Syrian coast, trading between Cyprus, Alexandria, and coast up as far as Mersina and Alexandretta, at which ports the boats from this meet to tranship.

The steamers are the steam-ship "Elfrida"—which boat up to lately carried the Government mails, our Company having had the Cyprus mail contract; the other boats are the steam-ship "Dispatch," "Clutha," and "Fortuna."

A. J.

No. 89.

The Marquis of Salisbury to Sir W. White.

(Commercial.)
(Telegraphic.) *Foreign Office, August* 3, 1885, 6·50 P.M.

YOUR No. 93, Commercial, of 28th July.

Endeavour to effect arrangement with Porte on basis proposed by Major Trotter.

No. 90.

The Marquis of Salisbury to Sir W. White.

(No. 76. Commercial. Ext.) *Foreign Office, August* 3, 1885.

Sir,

I HAVE this day instructed you, by telegram, to endeavour to effect an arrangement with the Porte on the Smyrna coasting question on the basis proposed by Major Trotter in his Report, a copy of which was inclosed in your despatch No. 93, Commercial, Confidential, of the 28th ultimo.

You will at the same time be good enough to express my thanks to Major Trotter for his valuable Report, and convey to him my appreciation of the able manner in which he has acquitted himself on his recent mission to Smyrna.

I am, &c.
(Signed) SALISBURY.

No. 91.

Sir W. White to the Marquis of Salisbury.—(Received August 5.)

(No. 94. Commercial.) *Constantinople, July* 29, 1885.

My Lord,

WITH reference to my despatch No. 93, Commercial, of yesterday's date, Major Trotter informs me that he has just received official translation of the "Cahier des Charges," and of the Convention attached to Yahiya Effendi's Firman of Concession.

I have the honour to inclose a copy of the former, which should be attached to Major Trotter's Memorandum. In it will be found the maximum tariff allowed to be charged by the Company, as well as certain regulations for maintaining the efficiency of the service.

It will be observed that the "Cahier" contains no Article, as had been supposed, stipulating that shareholders must be Ottoman subjects. This Article is only found in the Statutes, copy of which has already been sent to your Lordship.

I have, &c.
(Signed) W. A. WHITE.

Inclosure in No. 91.

Cahier des Charges.

TITRE I.—*Ouvrages, Travaux, et Matériel.*

ARTICLE 1er. Le concessionnaire s'engage à faire venir à ses frais, risques et périls des bateaux à vapeur, en nombre suffisant pour les besoins du service du transport des voyageurs, et à établir un service régulier aux échelles désignées à l'Article 1er de la Convention, et ce dans le délai fixé à la dite Convention.

Art. 2. Le concessionnaire n'emploiera que des matériaux de bonne qualité tant pour la construction des échelles que pour ses bateaux, machines, et autre matériel flottant, et il se conformera à toutes les règles de l'Acte afin d'assurer la parfaite solidité de ses constructions, et de son matériel flottant. Les dispositions, dimensions, et mode de construction des échelles, quais, et pontons seront appropriés aux circonstances locales.

TITRE II.—*Exploitation et Entretien des Echelles, Quais, et Matériel flottant.*

Art. 3. Le concessionnaire entretiendra les échelles, quais, et matériel flottant en bon état et de façon à assurer la parfaite sécurité du transport des voyageurs. Il veillera à ce que toute cause de danger soit écartée.

Art. 4. Au commencement de chaque année le concessionnaire dressera et soumettra au Ministère des Travaux Publics un État général des dépenses et recettes.

TITRE III.—*Formalités à l'Expiration de la Concession.*

Art. 5. A l'expiration de la Concession, le concessionnaire cédera à titre gratuit au Gouvernement Impérial les échelles, quais, ainsi que les bâtiments y afférents. Si dans les cinq années précédent l'expiration de la Concession le Gouvernement Impérial constatait que les dites échelles et quais ne sont pas entretenus en bon état, il sera fait au concessionnaire une mise en demeure et il lui sera accordé un délai; si, une fois ce délai expiré, le concessionnaire n'a pas fait droit, le Gouvernement Impérial fera procéder d'office à la mise en bon état des ouvrages aux frais du concessionnaire.

TITRE IV.—*Tarifs et autres Dispositions relatives au Transport des Voyageurs.*

Art. 6. Le concessionnaire, ainsi qu'il est stipulé à l'Article X de la Convention, percevra des droits de péage, conformément aux tarifs suivants. Ces tarifs indiquant le maximum des droits de péage, ils ne pourront être augmentés sans l'autorisation expresse du Gouvernement Impérial. Toutefois, s'ils sont abaissés, ils ne pourront être ramenés au maximum qu'après avis donné au public un mois d'avance; en cas de réduction l'avis au public pourra n'être fait que trois jours d'avance.

Tarif No. 1.—*Voyageurs.*

Par tête et par mille marin—
1re classe, 27 paras.
2e classe, 20 paras.

Jusqu'à l'âge de 7 ans les enfants sont transportés gratuitement.

Tarif No. 2.—*Bagages.*

Tout voyageur a droit au transport gratuit de 30 kilog. par tête. Pour tout excédent il sera perçu une taxe de 6 paras par 100 kilog. et par mille marin. Il ne sera pas perçu des taxes pour les objets transportés gratuitement.

Tarif No. 3.

Pour les chiens il sera perçu une taxe de 4 paras par tête et par mille marin. Cette taxe ne pourra pas être calculée pour un parcours inférieur à 5 milles.

Art. 7. Pour la perception des taxes indiquées dans les tarifs plus haut fixés ou a intervenir ultérieurement le para sera considéré comme la quarantième partie d'une piastre, et la piastre comme la centième partie de la livre Turque. Toutefois, le concessionnaire est tenu d'accepter toute autre monnaie circulant dans l'Empire, au cours fixé par le Trésor.

Art. 8. Les conditions et dispositions des tarifs généraux ou particuliers sont d'une application générale pour tous les voyageurs. Ces tarifs avant d'être mis en vigueur seront soumis à l'approbation du Gouvernement Impérial.

TITRE V.—*Clauses et Stipulations diverses.*

Art. 9. Si le Gouvernement Impérial désirait, tant en temps de paix qu'en temps de guerre, faire effectuer sur des points déterminés le transport soit isolément soit en corps de troupes appartenant à l'armée, la marine ou la gendarmerie et la police, de leurs bagages et chevaux, de toutes sortes de munitions et matériel de guerre, de céréales, et tous autres approvisionnements militaires, le concessionnaire, sur la demande qui lui en sera faite, mettra à la disposition du Gouvernement Impérial tout son matériel flottant, et autre, ainsi que tous ses moyens de transport, pour être affectés aux transports militaires; ces transports seront effectués pour la moitié de la taxe indiquée au tarif.

Art. 10. Les prisonniers et condamnés, ainsi que les Agents préposés à leur garde seront transportés à demi tarif.

Art. 11. Les Agents nommés par l'État pour le contrôle et la surveillance de l'exploitation, les employés des télégraphes, ainsi que les militaires jusqu'au grade de sergent qui, munis d'un theskéré en règle voyageront isolément, seront transportés gratuitement.

Art. 12. Le concessionnaire effectuera gratuitement dans les bateaux le transport des valises postales de l'État, qui seront plombées, ainsi que les Agents qui les accompagnent; il sera tenu à ce que ces valises demeurent intactes pendant toute la durée du transport.

Le présent Cahier des Charges a été soumis à la haute sanction de Sa Majesté Impériale le Sultan, qui a bien voulu, par un Iradé Impérial, ordonner qu'il soit agi aux frais que de droit; en conséquence le présent acte a été dressé en double expédition pour être échangé entre le Ministère des Travaux Publics et le concessionnaire.

Le 8 Avril, 1299.

No. 92.

Sir W. White to the Marquis of Salisbury.—(*Received August* 5.)

Constantinople, August 4, 1885, 9·37 P.M.

(Telegraphic.)

YOUR telegram, Commercial, of 3rd instant.

It is undesirable to communicate to Ottoman Embassy details of Major Trotter's proposed settlement of "cabotage" question.

No. 93.

Musurus Pasha to the Marquis of Salisbury.—(*Received August* 21.)

Ambassade Impériale Ottomane, Londres, le 20 *Août*, 1885.

Milord,

PAR suite d'instructions pressantes et réitérées de son Excellence Assim Pacha, j'ai l'honneur de m'adresser à votre Excellence pour la prier de vouloir bien me mettre à même de communiquer le plus tôt possible au Gouvernement Impérial une réponse satisfaisante du Gouvernement de Sa Majesté la Reine à ma note du 4 Février dernier, relative à la question du transport des passagers dans le port et le Golfe de Smyrne.

A cette occasion, je crois utile de signaler à l'appréciation de votre Excellence ce fait que M. Joly, qui semble baser ses prétentions sur une tolérance dont aucun acte de la Sublime Porte n'avait reconnu l'existence, n'est devenu acquéreur de ses bateaux que six mois après la constitution et l'organisation du service de la Compagnie Ottomane Hamidié.

J'ai, &c.

(Signé) MUSURUS.

No. 94.

Observations by Consul Dennis on Major Trotter's Report of July 26, 1885.—(*Received at the Foreign Office, August* 24.)

I VENTURE to offer a few comments on Major Trotter's Report on the *cabotage* question of Smyrna, seeing that all the circumstances attending the differences which have arisen in connection with the question at that port have come under my cognizance.

I should state that I write trusting to memory alone, not being able to refer to documents for dates or facts, and I must therefore claim some indulgence for the following observations, which cannot pretend to that precision of statement which is required in a despatch, and are merely a record of the impressions made on my mind by the Major's Report.

He gives a generally correct sketch of the contest between Messrs. Joly and Co., the Company which initiated the steam passenger traffic in the port and Gulf of Smyrna many years ago, and Yahia Effendi, the Ottoman subject, who obtained a Firman granting him a monopoly of that traffic in 1883, though it appears to me that his statements will sometimes admit of correction. I will treat of certain points in the order in which they stand in the Report.

It is obvious that Turkey, like every other Power, has the indefeasible right to close her coasting trade, and therefore the passenger traffic on her inland waters, to all foreign flags, unless she has already conceded that right to other Powers by Treaty. Now Turkey having made that concession to Great Britain, which has reciprocated it, Her Majesty's Government claim the right under the Treaty to participate in the coasting trade of the Ottoman Empire in general, with the sole exception of the Bosphorus, to which they have relinquished their right; but Turkey, putting a different interpretation on the Article of the Treaty or of the Capitulations (I cannot remember which), admits the claim of England to the coasting traffic in goods, but disputes it with respect to passengers. The question did not assume an active shape until 1883, when the Sultan granted to Yahia Effendi a Firman, which is doubtless equivalent to a monopoly of the passenger traffic in the port and Gulf of Smyrna, as well as to certain ports on the coast outside the gulf; but the validity of this Concession being disputed by Her Majesty's Embassy on the ground of its interference with our Treaty rights, the question was allowed to stand over until a definitive arrangement could be arrived at by the two Governments. Meanwhile, the local authorities, acting in the interest of Yahia Effendi, maintained a persistent opposition to Messrs. Joly and Co., and forcibly prevented their boats from running, until in March 1884 Lord Dufferin succeeded in obtaining permission for the British boats to ply freely, as heretofore, until the question was definitively settled.

Major Trotter cites the monopoly of the passenger traffic established at Constantinople and in the Bosphorus as a precedent for closing the port of Smyrna also to foreign flags as regards the exercise of this traffic. But the Bosphorus, where the monopoly was established about the time of the Crimean war, if my memory does not deceive me, was avowedly an exception to the rule, and the monopoly there was consented to by England and the other allies of Turkey, on the ground of the better security afforded to Constantinople against possible attacks from the side of the Black Sea, if the passenger traffic were confined to vessels under the Ottoman flag. But as a proof of the exceptional character of the monopoly conceded in this instance, I may cite the fact that the Sea of Marmora and the Dardanelles were at the same time left open, and have ever since remained open to all foreign flags, as regards the passenger traffic. Trotter acknowledges that Lord Dufferin regarded the Bosphorus as an exception, but omits to state the peculiar circumstances which induced the Powers friendly to Turkey to allow that exception. His argument, therefore, that "what holds good for the port of Constantinople, where a monopoly of the passenger traffic under the Turkish flag has been established, presumably also holds good for the port of Smyrna," is of no weight, when the widely different grounds on which the monopoly was established in the one case, and is claimed to be established in the other, are taken into consideration. There is no parity between the two cases.

The distinction drawn by Major Trotter between the port and Gulf of Smyrna is somewhat arbitrary, as he regards all the tract outside the Castle of Sanjak (St. Jacques ?) to be the coast, and therefore open by Treaty to all vessels under the British flag. Yet a glance at the map will show that Vourlah, and the shores on both sides of the gulf, between it and the said Castle, as well as the islands in the gulf and the eastern shore of the Peninsula of Karabournou, are undoubtedly within the gulf, and, therefore, geographically, in the inland waters of Turkey. Old and New Foggia, as well as Lidjah, on the other hand, are decidedly on the coast. But no distinction is made in the Treaty between the coast and the inland waters of Turkey, and none certainly between the *grand* and *petit cabotage*, nor have Her Majesty's Government recognized the distinction, save in the exceptional case of the Bosphorus. Should they now, therefore, recognize the distinction claimed for Turkey by Trotter, that the monopoly may be conceded to the port of Smyrna, as among the internal waters of the Empire, the Porte may be expected to claim the monopoly of the gulf also on the same grounds. Lord Dufferin, while recognizing the right of the Porte to exercise control over the passenger traffic in its internal waters, did not give up, but stoutly maintained the right of British vessels to participate in that traffic, subject to control. But to Major Trotter, on the contrary, it seems that "a right to the monopoly of the passenger traffic in the port of Smyrna may be conceded without in any way infringing on our Treaty rights."

On the transfer of the steamers "Smyrna" and "Cordelio" to M. Hönischer, and also of Joly's six steamers to C. Paterson and G. O. Joly, I have merely to remark that the sales in question, which were registered in my Consulate, were effected in a perfectly regular manner, and in total ignorance on my part that those sales were fictitious, as they are now said to be. I was positively assured in both cases that the sales were *bonâ fide*, and felt bound to accept the assurances of the parties interested, as I had no reason to doubt the truth of their statements.

The competition between Joly and Co. and Yahia's new Company was at first of a

bitter, and at times even of a dangerous, character, and Lord Dufferin urged me to endeavour to effect a fusion of them, if possible; and, if that were not practicable, to try to persuade them to work together in a less hostile spirit. As regards amalgamation, all attempts to effect it failed, for the following reasons:—(1) That Yahia's demands were too extravagant to be entertained by Joly and Co., for he insisted that they should hand over to him, without purchase, all their vessels, and rest content with shares to their value in his Company. Joly and Co. might have listened to some such proposal had it come from another man, but they assured me that they could place no confidence in Yahia, whom they knew to be false, treacherous, and utterly unscrupulous, and not at all likely to respect any contract he might make with them; (2) that his Firman prescribed that all the shareholders in the Company he might form must be Ottoman subjects, a condition which precluded them from entering his Company as shareholders. And, even if that difficulty could be overcome, there remained (3) the obligation of placing their vessels under the Ottoman flag, an insuperable objection, they declared, since it involved the necessity, as the Firman expressly states, that all differences that might arise between the Porte and the Company, or between Yahia and his shareholders, as well as all questions as to the interpretation of the Firman and Cahier des Charges, must be determined by the Ottoman Tribunals; and they well knew from experience that if they found themselves in opposition to Yahia Effendi, who had the all-powerful support of Behrem Agha, the Chief Eunuch, they would have a very small chance of obtaining justice. Major Trotter, probably believing that his Report might be submitted to the Porte, has refrained from mentioniug this objection, which has all along been the main obstacle to the fusion of the Companies. But he states his belief, at p. 89, that an amalgamation will be practicable if certain modifications could be effected in the Firman and Cahier des Charges, and specifies the limitation of the monopoly to the port of Smyrna, and the permission for foreigners to hold shares in the Hamidieh Company. This may be the case at present, but I have always heard the members of Joly's Company declare their chief objection, and that insuperable, to their joining Yahia, to be the necessity it would involve of placing their boats under the Ottoman flag.

During the heat of the competition between the Companies I did all in my power to moderate its acerbity, which at one time was nearly creating a conflict between the police and the mob who were opposed to the threatened monopoly; and eventually my endeavours were successful, in so far that the rival Companies came to an agreement to ply alternately at fixed hours, and to throw no difficulties in each other's way. Yahia Effendi alone, however, who, being a man of small means, had little influence with the ruling members of his Company, continued his opposition, at one time destroying a landing-place or jetty where Jolys' steamers used to touch, and endeavouring to prevent them from using other jetties; at another, trying to persuade the Smyrna Quay Company to deny them permission to ship or land passengers on the quay. Up to the end of May last, however, when I left Smyrna, the rival Companies were working as harmoniously as competitors could well be expected to work.

Major Trotter complains that there is no system of inspection of these British passenger-boats, that no Turkish official is allowed to inspect the machinery or the fitness of the boats for the service, or to prevent over-crowding, and also that there is no provision at the Consulate for inspection of any kind. This is true; but I am not aware that the Consul has the power to order an inspection, or to appoint inspectors to visit these boats periodically. His duties as regards homeward-bound ships, and grain ships in particular, are defined by Act of Parliament. If the annual inspection prescribed by the Merchant Shipping Act of passenger steamers plying in British waters applies to similar vessels under the British flag in foreign ports, the Consul should be officially informed of his duties in this respect, and have power to draw on Her Majesty's Government for the necessary funds to remunerate the inspectors, who are not likely to undertake such duties gratuitously.

I should state, with reference to this subject, that during the height of the competition between the Companies, when the steamers were frequently over-crowded, I repeatedly warned Joly and Co. of the risk they ran by not limiting the number of their passengers; and at the same time, I represented this danger to the Vali also, pointing out to him that it was in his power to regulate the traffic and to limit the number of passengers in each boat according to its tonnage, so as to obviate the peril to life incurred by over-crowding.

Major Trotter considers it "humiliating and annoying" to the local authorities that when Ottoman thieves, pursued by the police, rushed on board one of these British steamers, they could not be arrested until the usual formalities had been gone through at the British Consulate. Such a fact is but the natural outcome of the Capitulations, to which

British subjects in Turkey owe their exemption from the aggressive and often tyrannical conduct of the local authorities. Such a fact is surely not more humiliating to those authorities than the power vested by Treaties in the Consuls of all Christian Powers to administer justice to their fellow-subjects according to the laws of their respective nations. He appears to forget the various exemptions, accorded by Treaty to British subjects in Turkey, from the interference of the local authorities, among which is the exemption of British houses and vessels from the visitation of the police, save with the express permission of the Consul—a most wholesome immunity, by which British subjects are protected from manifold annoyances on the part of the Ottoman authorities, who might otherwise be tempted to indulge in the arbitrary tendencies which they too often possess. In the case cited by Major Trotter, a careful watch maintained over the ship by the police until a Consular warrant was obtained, or until a cavass was dispatched from the Consulate to accompany the police in their search, was the only inconvenience to which the authorities could be subjected. As far as my experience goes, the Consular authorization has always been unhesitatingly granted in similar cases.

Major Trotter is of opinion that if Her Majesty's Government limits its recognition of the monopoly to the port of Smyrna, the Turkish authorities will find means to prevent foreign vessels from plying for passenger traffic between the port of Smyrna and Vourlah, and other places within the gulf. He therefore suggests that, to avoid such complications, the Firman to Yahia should be recognized in its entirety, with the stipulation that no impediment shall be placed in the way of British steamers carrying passengers between Smyrna and Vourlah and the ports outside the gulf, and thinks it will probably be far easier to obtain from the Porte a Declaration to this effect than to induce it to limit the Concession to the port of Smyrna. I cannot but think that the Major is greatly mistaken on this point. To me it seems the far simpler plan to limit our recognition of the monopoly to the port of Smyrna, and to make it a condition of that recognition that no interference of any sort shall be raised with our rights of passenger traffic between Smyrna and the gulf and coast outside it. If we give with one hand, it will not be so easy as Major Trotter supposes to take our gift back with the other. By the recognition of the Firman in its entirety Her Majesty's Government would renounce their Treaty rights to participate in the passenger traffic of the entire gulf and of the coasts on either side of its mouth, and we should place ourselves in an extremely false and awkward position, from which no Declaration of the Porte would wholly relieve us. How could any Declaration restore to us the free and undisputed exercise of the rights we shall have already renounced by recognizing the Firman in its entirety? Will not the claims of Yahia Effendi to enjoy his monopoly to its full extent be in continual conflict with the Declaration, and therefore with British interests? It appears to me that by recognizing the Firman in its entirety we shall be laying up for ourselves an endless store of complications, unless, indeed, we are prepared to put our recognition into practice, and leave the field entirely open to Yahia Effendi. That gentleman, backed as he is by the most powerful influence at the Palace, will never cease to raise difficulties, should his Firman, if recognized by Her Majesty's Government in its entirety, as Major Trotter advocates, be crippled in its operation by any proviso or Declaration in favour of British subjects. From my knowledge of him I am convinced that he will insist on his pound of flesh, and will not consent to abate one iota of his rights in favour of rivals who have hitherto successfully disputed his claims. If the Firman is to be recognized, it should be in such a way as to leave nothing, or as little as possible, dependent on the good-will or moderation of the Turkish authorities. I am firmly persuaded that it will be more advantageous to British interests to confine the recognition of the monopoly to the port of Smyrna, and to refuse to recognize it as applicable to the gulf and adjacent coasts, where it manifestly encroaches on our Treaty rights. We should thus leave Yahia to settle accounts with his own Government, and be better able to keep clear of further complications with the Ottoman authorities.

Major Trotter reports that if the monopoly be recognized, Joly and Co. will claim compensation for the forcible stoppage of the service they have themselves created. He omits, however, to cite the precedent on which they would urge this claim, which is that of the Bosphorus, where, on the establishment of the monopoly of the passenger traffic in the hands of the Mahsoussé Company, its foreign rivals who were thus superseded received compensation from the Ottoman Government. He proceeds to state his opinion that "the best, simplest, and most practicable arrangement" by which Joly and Co. could obtain compensation would be an alliance with Yahia and the Hamidieh Company. But the real difficulties in the way of such an alliance he does not appear fully to recognize.

As regards Bell's Asia Minor Company, whose vessels have hitherto run to distant ports on the coast and in the islands of Turkey, I have to remark that this Company deserves great consideration from Her Majesty's Government, as they initiated steam

traffic between Smyrna and the remote ports of Turkey, and have opened by their enterprise new markets for British commerce, and created trade in many products where it did not previously exist. They have not yet experienced violent opposition from the Hamidieh Company, but Mr. Alfred Joly, Bell's agent at Smyrna, shows, in his letter to Major Trotter inserted at the end of the Report, how the recognition of the monopoly, even if confined to the port of Smyrna, will prove prejudicial to the interests of his Company.

First, by excluding their boats from Cordelio, to which his Company is preparing to establish a passenger service, as also from Vourlah.

Then he fears that the opposition he at present encounters on the line to Adalia and Mersina from a Greek Company will be greatly increased by the recognition of the Firman, as his competitors are closely connected with the Hamidieh Company, and, in the event of the recognition, would hoist the Ottoman flag, and work in connection with that Company.

He also dreads increased opposition on the Cavalla line from Joly and Co., should they effect a fusion with Yahia's Company.

Moreover, he entertains fears generally that, with the large profits reaped under the monopoly within the port of Smyrna, the Hamidieh Company will become so powerful as eventually to drive Bell's Company and the British flag together from the coasting trade of Asia Minor and the Turkish Archipelago. In these apprehensions I participate, though I think it will take a long time for them to be realized.

(Signed) GEO. DENNIS.

London, August 24, 1885.

No. 95.

The Marquis of Salisbury to Sir W. White.

(Commercial.)
(Telegraphic.)

Foreign Office, August 26, 1885, 3·30 P.M.

SMYRNA Coasting Trade. I am urgently pressed by Musurus Pasha for an answer. What prospect is there of a satisfactory settlement? What proposals should, in your opinion, be made to Musurus Pasha? I cannot delay reply much longer.

No. 96.

Sir W. White to the Marquis of Salisbury.—(*Received August* 28, 2·45 P.M.)

Constantinople, August 28, 1885.

(Telegraphic.)

YOUR telegram, Commercial, of 26th instant.

Some communication to the following effect might with advantage be made to Musurus Pasha:—

Her Majesty's Government have learned with satisfaction that the former Company at Smyrna, in which British interests were concerned, has been merged with the new Ottoman Company, which had obtained extensive privileges, but Her Majesty's Government trust that the exclusive rights of this amalgamated Company will not extend beyond the harbour of Smyrna, as shown on Admiralty Chart.

This is the second alternative referred to in paragraph (A) of Major Trotter's Report, leaving a resort to the third alternative should necessity arise. Further details by messenger.

No. 97.

The Marquis of Salisbury to Sir W. White.

(No. 88. Commercial.)
(Telegraphic.)

Foreign Office, September 14, 1885.

YOUR telegram of the 28th ultimo.

Her Majesty's Government prepared to recognize concession to new Ottoman Company within the port of Smyrna when its limits are settled, but cannot agree to the third alternative proposed by Major Trotter.

Full instructions by messenger.

No. 98.

The Marquis of Salisbury to Sir W. White.

(No. 89. Commercial. Ext.)

Sir,

Foreign Office, September 14, 1885.

I HAVE received your despatch No. 111, Commercial, Confidential, of the 28th ultimo, inclosing a copy of the Agreement signed on the 20th of that month by Messrs. Joly and Co.'s representative and Yahia Pasha.

Now that the Companies of Joly, Victora, and Co., and the Hamidieh Company have been amalgamated, the claim of the former to the protection of Her Majesty's Government against the Hamidieh monopoly is disposed of; but the question of the validity of the Firman granting that monopoly is one which affects international rights and which still remains unsettled. It may be reopened at any time, especially as it appears that Bell's Asia Minor Company are preparing to run a new line in competition with the Hamidieh Company.

I have accordingly to instruct you to protest against the Concession granted to the Hamidieh Company, and to insist on the question at issue being decided in concert with the Great Powers, and to give up no claim which is not also abandoned by them. Her Majesty's Government would be prepared to recognize the Concession granted to the Hamidieh Company if confined to the port of Smyrna, whatever its limits may be ultimately settled to be, but they cannot agree to the third alternative proposed by Major Trotter, as that would be practically to abandon the position which they have maintained since 1853.

The Gulf of Smyrna has always been treated as forming part of the coastal waters of Turkey. It has ports with separate custom-houses, and to admit of any distinction between these ports and any other ports of the Turkish dominions open to the coasting trade of foreigners would be to establish a dangerous precedent.

I am, &c.

(Signed) SALISBURY.

No. 99.

Sir W. White to the Marquis of Salisbury.—(*Received September* 16.)

(No. 117. Commercial. Confidential.)

My Lord,

Therapia, September 10, 1885.

WITH reference to the Smyrna coasting trade, your Lordship was kind enough to send me a copy of correspondence in print with your despatch No. 83 of the 26th ultimo, the receipt of which I beg to acknowledge. The first part of your Lordship's inquiries have been to some extent answered by my telegram of the 28th ultimo (No. 96 of the print), and by my despatch No. 111, Commercial, Confidential, of the 28th ultimo, and I am unable to give any fuller information until I am able to ascertain whether, now that the two Companies have come to terms, the Porte will feel disposed to let the matter drop, or to define the rights of the privileges of the Company in the port of Smyrna within acceptable limits.

As yet there is no indication of any such friendly disposition; quite the contrary: it would appear that certain influential Turkish functionaries would like to press the matter on and dispute our rights to the coasting trade on other points.

It was under an apprehension of some such approaching danger that I took the liberty of addressing to your Lordship in such guarded language two telegrams on the 4th and 28th August respectively, which appear under Nos. 92 and 96 in the print.

Mr. Consul Dennis' interesting Memorandum of the 24th instant on Major Trotter's Report was not seen by me until the receipt of your Lordship's despatch No. 83 by Captain Lumley on the 7th instant.

Major Trotter is now absent on military duty, but I shall call his attention to it as soon as he returns. The observations of Mr. Consul Dennis having reference to the history of the conflict between the two rival Companies at Smyrna and to the difficulties in the way of their amalgamation require no comment on my part.

The great local experience of Mr. Dennis is highly valuable on this occasion, but his mission in this matter will consist in future in the difficult and delicate task of

discouraging, as far as he is able to do so, the attempts of British firms to run passenger-boats within the limits which Her Majesty's Government will decide to accept, either tacitly or by a compromise, as assigned to the port of Smyrna.

These limits constitute, of course, a very important question, and I agree in what Mr. Consul Dennis says on the subject, though it will be extremely difficult to carry such an arrangement amicably as long as the Porte advances such extreme pretensions and seeks to restrict from competition the navigation in the Gulf of Smyrna and even beyond it.

I have, &c.
(Signed) W. A. WHITE.

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